



Economic Impact Report on Volkswagen Group of America, Inc. and Related Entities

July 2025

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Executive Summary

In 2024, Volkswagen Group of America¹ (“VWGoA”), including its subsidiary Electrify America, as well as its authorized, independent Volkswagen and Audi dealerships (collectively referred to as “Volkswagen”), operated in all 50 states, the District of Columbia, and Puerto Rico, supporting manufacturing, distribution, sales, consumer finance, and innovation in electrification technology. VWGoA employed 9,586 employees and contractors, including 225 employees and contractors at Electrify America. In addition, Volkswagen and Audi dealerships employed 38,500 employees and contractors. The household spending by those employed or contracted by Volkswagen significantly influences their local economies with additional economic impact resulting from Volkswagen’s \$7.5B spend on manufacturing, products, and services with its supplier network, leading to additional employment, income, and outputs.

The purpose of this report is to quantify the estimated economic impact of VWGoA, including Electrify America, and its dealerships from January 1, 2024, through December 31, 2024, across the following dimensions:

- **Direct effects** – the headcount of Volkswagen employees and contractors, the payroll and benefits (also known as “labor income”) of these individuals, and spend on Volkswagen suppliers.
- **Indirect effects** – the headcount of supplier employees and contractors, the suppliers’ payroll and benefits provided to those individuals, and supplier spend.
- **Induced effects** – the household spending of the Volkswagen employees within their local economies.

The information from this report was obtained using personnel and contractor headcount, payroll, supplier spend, and tax information provided by Volkswagen. The indirect and induced effects are based on economic multipliers generated by the IMPLAN software, using economic data provided by the U.S. Bureau of Labor and Statistics and related organizations.

Key findings include the following:

- **Substantial, broad-based economic impacts on employment and spending nationwide from Volkswagen Group of America operations**
In 2024, VWGoA employed 9,586 employees and contractors (or full-time equivalents), accounting for nearly \$885.3M in total payroll and benefits. Gross output, which includes payroll and benefits, taxes, and supplier spending across each of these businesses totaled \$8.21B. The combined direct, indirect, and induced effects across the national economy is 164,470 jobs and \$43.9B.
- **Dramatic increases in manufacturing and research and development**
VWGoA increased its direct employment in manufacturing to 3,999 employees, an increase of over 30% since 2019, reflecting \$303.9M in payroll and benefits. The \$4.2B in estimated total contribution of payroll and benefits is associated with 52,492 jobs, implying over 12 jobs created for every one manufacturing job created at VWGoA through a combination of associated business-to-business and household spending. This investment in American manufacturing has been complemented by increases in employment in VWGoA’s research and development sector to 885 jobs, an increase of over 16% since 2019.
- **Large, indirect economic activity through infrastructure spending**
Electrify America invested roughly \$190M into infrastructure spending in 2024, driving economic activity through construction, fabrication, manufacturing, and other associated activities. This spending was particularly pronounced in a few key states, resulting in 6,009 direct, indirect, and induced jobs and over \$1.4B

¹ Volkswagen Group of America includes the corporate functions of VW Brands, Electrify America, the consumer and business lending business VW Credit, Inc. and the manufacturing plant in Chattanooga, Tennessee.

in direct, indirect, and induced gross output. In addition, VWGoA has invested substantially in American maritime infrastructure over the last four years, culminating in the opening of the Gulf Coast Hub in Freeport, Texas in 2024 to better serve the American market.

▪ **Distributed employment and income effects through a nation-wide network of dealerships**

There were 921 Volkswagen and Audi dealerships reported nationwide.² This is the largest source of employment across the organizational components studied, with 38,500 employees and contractors in 2024. This leads to an estimated total contribution of 87,612 direct, indirect, and induced jobs and \$18.1B in direct, indirect, and induced gross output throughout 2024.

▪ **Significant corporate infrastructure across the United States**

In addition to its core manufacturing, research, and infrastructure investments, VWGoA maintains a substantial footprint in auxiliary functions like credit and leasing, distribution, and corporate operations (including corporate finance, technology and human resources, classified as “management”). These sectors directly account for 4,451 employees, \$424.2M in payroll and benefits, and an associated total output of \$3.2B.

Table 1: Volkswagen's US economic contribution, by area (2024)

Area	Employment/Contractors		Payroll and benefits		Gross Output	
	Direct contribution	Total contribution ³	Direct contribution	Total contribution	Direct contribution	Total contribution
Manufacturing	3,999	52,492	\$303.9	\$4,178.3	\$6,238.5	\$20,385.3
Credit/Leasing	820	2,808	\$112.2	\$253.7	\$355.7	\$731.7
Distribution	340	704	\$26.6	\$50.4	\$43.6	\$114.4
Port	26	57	\$4.4	\$6.5	\$6.3	\$12.7
Management	3,291	11,442	\$285.4	\$971.7	\$1,122.2	\$2,337.6
Research/testing	885	3,346	\$110.0	\$289.5	\$304.6	\$788.6
Electrify America	225	6,009	\$41.8	\$496.0	\$132.5	\$1,482.4
Total – VWGoA	9,586	766,858.3	\$885.3	\$6,246.1	\$8,203.4	\$25,852.7
Dealerships	38,500	87,612	\$2,776.6	\$6,266.8	\$8,787.7	\$18,078.6
Total	48,086	164,470	\$3,661.9	\$12,513	\$16,991	\$43,931

Dollar amounts in \$USD millions

Source: Information provided by Volkswagen and IMPLAN economic modeling

At the state level, Volkswagen has a significant impact on economies across the country.

- Tennessee had the largest amount of direct employment with 6,161 employees and contractors and \$437.0M in payroll and benefits. This led to 16,808 direct, indirect, and induced jobs and \$6.7B in direct, indirect, and induced gross output across the state in 2024. These were primarily manufacturing jobs at VW Chattanooga and at manufacturing suppliers in the Southwest U.S.
- VWGoA headquarters are in Reston, Virginia in total the state employs a combined 1,891 employees and contractors in the state. This led to 5,582 direct, indirect, and induced jobs and \$1.4B in direct, indirect, and induced gross output.

² This figure counts combined Volkswagen and Audi dealerships as separate dealerships. Representative dealership figures were determined in partnership with VWGoA. Some dealerships are co-located on adjacent property. Dealerships are franchised companies and not direct employees of Volkswagen Group of America.

³ Total contribution refers to direct, indirect, and induced effects.

- California, Illinois, Michigan, and Texas have additional corporate facilities, including research and development on electric vehicles, and dealerships. Volkswagen accounts for 13,839 employees and contractors across these states and providing an estimated total of 49,973 jobs and \$12.8B in direct, indirect, and induced gross output.

Table 2: Volkswagen's US economic contribution, for select states (2024)

Area	Employment/Contractors		Payroll and Benefits		Gross Output	
	Direct contribution	Total contribution	Direct contribution	Total contribution	Direct contribution	Total contribution
California	6,507	22,335	\$313.0	\$1,761.7	\$2,228.9	\$5,811.9
Illinois	1,870	7,808	\$168.2	\$634.8	\$1,256.9	\$2,059.0
Michigan	2,635	5,713	\$204.3	\$328.3	\$604.2	\$956.9
Tennessee	6,161	16,808	\$437.0	\$1,037.8	\$4,456.9	\$6,732.2
Texas	2,827	14,745	\$231.2	\$1,266.1	\$2,367.8	\$3,946.9
Virginia	1,891	5,582	\$222.5	\$457.0	\$958.7	\$1,419.6
Total	21,891	72,991	\$1,576.1	\$5,485.7	\$11,873.3	\$20,926.5

Dollar amounts in \$USD millions

Source: Information provided by Volkswagen and IMPLAN economic modeling. This includes impact for Electrify America, as specified below.

The Federal and State taxes associated with the estimated national-level spending are given below. These estimates reflect the tax share associated with the reported and estimated spending.

- The total estimated tax contribution of Volkswagen operations encompassing the direct, indirect, and induced expenditures associated with Volkswagen and its associated operations through dealerships, was roughly \$4.6 billion USD in 2024.
- Of these taxes, the amount of Federal and state taxes directly paid in 2024 total was roughly \$2.1 billion USD
- In addition, Volkswagen operations are associated with indirect (business to business), and induced (household) expenditures, that are estimated to return roughly \$1.3 billion USD in taxes each. Of these taxes, roughly 66% of the tax revenue generated is associated with Federal taxes

Table 3: Federal and State Taxes (2024)

	Direct tax contribution	Indirect tax contribution	Induced tax contribution	Total tax contribution
Federal taxes and duties	\$1,219.3	\$941.5	\$899.9	\$3,060.7
State taxes	\$839.5	\$283.9	\$367.6	\$1,491.0
Federal, state taxes	\$2,058.8	\$1,225.4	\$1,267.5	\$4,551.7

Dollar amounts in \$USD millions

Source: Information provided by Volkswagen and IMPLAN economic modeling

Building the infrastructure and laying the groundwork for scaling vehicle electrification

Volkswagen continues to invest extensively in the United States and North American industry more broadly to develop its latest generation of electric vehicles. These investments have promoted the ID.4 and Atlas vehicle lines.

Investments in electrification have included substantial investments in the number, efficiency, and quality of charging stations throughout the United States. In addition to their spending, as one of the “first movers” in these industries, Volkswagen worked with suppliers to facilitate the design and certifications of components for vehicle electrification.

These innovations support industry-wide development and scalability as other vehicle manufacturers and commercial architecture organizations plan for further advancements in electrification.

Volkswagen continues to invest in the physical infrastructure and human capital of the United States. This includes investments in the Gulf Coast Hub, as well as the expansion of operations at the flagship manufacturing plant in Chattanooga, Tennessee. It also drives innovation in rolling out decarbonizing technologies like electric vehicles and new materials associated with the next generation of vehicles.

Philanthropic and other social investments

In 2024 Volkswagen contributed nearly \$8 million in donations to more than 30 non-profit organizations, including those organizations focused on vehicle electrification and youth education on climate change. Electrify America has made additional social investments to community-based organizations, including three organizations that focus on immigrant and non-English communities. This is in addition to the contributions that the dealerships have made to local charities and other non-profit organizations.

Introduction

Scope of this study

Volkswagen Group of America (“VWGoA”) commissioned Deloitte Transactions and Business Analytics LLP (“DTBA”) to perform this study on the economic impact throughout calendar year 2024 from VWGoA, including Electrify America, and its authorized, independent Volkswagen and Audi dealerships (collectively referred to as “Volkswagen”) across the following areas:

- Operations, including manufacturing and administrative
- Suppliers and their operations
- Product development in artificial intelligence, vehicle electrification and other advanced R&D, and
- Philanthropic investments in local communities.

The scope of the report includes nationwide impact, as well as a focus on states where Volkswagen had large operations, for the calendar year 2024.

The subsequent sections contain contextual, quantitative and qualitative information around the direct, indirect, and induced effects of the following areas:

- Direct headcount, payroll and benefits, and gross output of Volkswagen’s, affiliated dealerships, and Electrify America operations with additional focus on impact of research and development and philanthropic efforts and social investments
- Indirect headcount, payroll and benefits, and gross output from suppliers’ spending
- Induced headcount, payroll and benefits, and gross output of household spend in local economies
- Estimated tax contributions of direct, indirect, and induced spending



Approach

Methodology

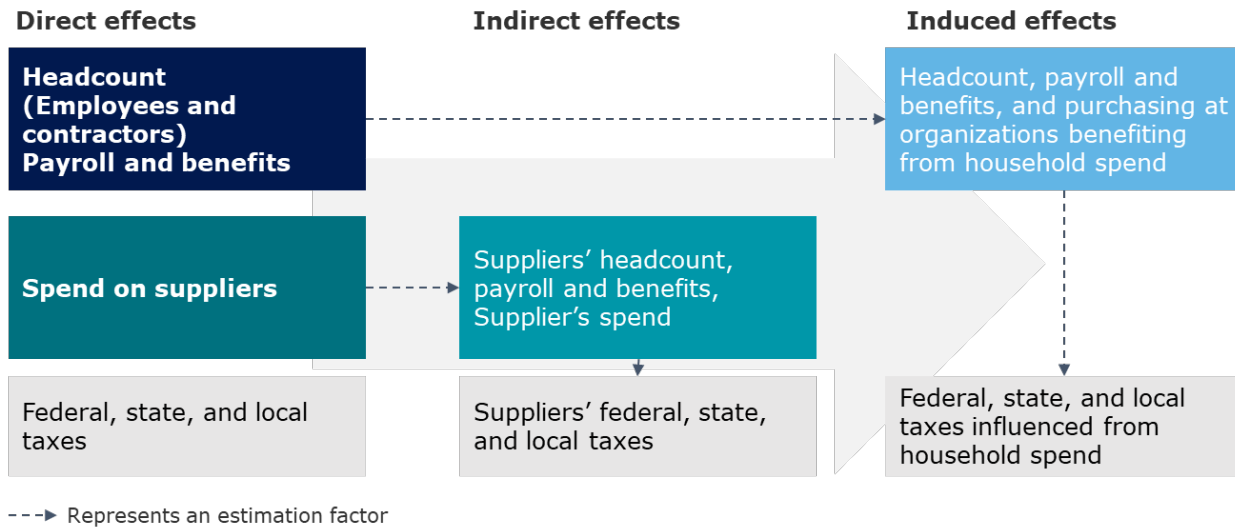
DTBA utilized data provided by VWGoA and its dealerships on headcount, payroll and benefits, and supplier spend. DTBA then used economic modeling software IMPLAN to apply multipliers to calculate the downstream benefits to the economy to estimate the total direct, indirect and induced economic contributions.

IMPLAN is an economic modeling software used to estimate regional economic impact models and is commonly used by both public and private organizations. Among its various applications, these economic models estimate economic multipliers that are generated by employment and gross expenditures. IMPLAN combines national averages for industries and production functions with data from the U.S. Bureau of Labor Statistics, Bureau of Economic Analysis Regional Economic Accounts and U.S. Census of Employment and Wages to develop multipliers to estimate the upstream effect of supplier spend and the downstream effect of headcount and labor spend. IMPLAN classified the US economy into 528 economic sectors for use in their economic model, and DTBA classified the employment information and suppliers into these economic sectors.

This report differs from an analysis completed by DTBA in 2021 in the following ways:

- First, the IMPLAN modeling software was updated from using a 548 industry classification system to a 528 industry classification system. This required DTBA to cross walk between the two systems to preserve the traditional encoding between different sectors in IMPLAN's new 528 system, as well as to identify the associated benefits multipliers with different sections. This process is supported by the IMPLAN tool. It also means the estimates provided here in accord with the latest industrial structure classification systems of the US economy in use today.
- Second, this report builds on previous DTBA analysis with an eye towards comparability. The data collection and testing process for this report involved numerous conversations with relevant personnel at Volkswagen Group of America with the objective of aligning and improving on the previous analysis in as consistent a fashion as possible.
- Third, this report uses state-level estimators across all states-estimates, rather than just key states, so that multipliers are reflective of the local economic conditions where Volkswagen operates. It then scales these estimates where appropriate for alignment between the state-level and national level estimation, designed to produce a consistent picture that accounts for the full range of variation between local and aggregate economic impacts of Volkswagen's business operations. Estimates were made by leveraging the available data while conforming to the methodology of the prior report.
- Fourth, following IMPLAN leading practices, this report replaces the Analysis-by-Parts (ABP) methodology with IMPLAN's Detailed Industry Impact Analysis function, also known as IIA, for estimating total economic contribution. IIA simplifies calculations, reduces the risk of estimation errors commonly associated with ABP, and offers a more holistic, methodologically sound estimate by integrating all direct data within IMPLAN's standard framework.

Figure 1: The relationship between direct, indirect, and induced effects



Direct headcount, payroll and benefits, and gross output

Direct spending is the money that Volkswagen spends on its employees and contractors, their payroll and benefits (also known as “labor income”), and on its suppliers. For direct headcount, payroll, and benefits, Volkswagen provided data on these metrics, classified by job role (e.g., manufacturing, finance, marketing), directly to DTBA. Payroll figures were then multiplied according to industry averages based on IMPLAN’s coding system to capture the total compensation for labor income. Gross output refers to the total value of production, including labor income, taxes, and supplier expenditures.

Funding provided by VWGoA to its dealerships for sales support which was spent by the dealerships was counted only once, represented as spent by the dealership in the state where the dealership was located.

Indirect effect

Indirect effect consists of the estimated headcount, payroll, and gross output of Volkswagen suppliers. To estimate the indirect effect, Volkswagen provided data on its supplier spend by state with industry classification indicators. DTBA utilized multipliers provided through IMPLAN to calculate the estimated headcount, payroll and benefits, and gross output of the suppliers attributable to Volkswagen’s supplier spend, which is based on the particular geography and the industry in which the spending occurs. From these estimates, IMPLAN then also provides estimated taxation for the associated economic activity.

Induced effect

Induced effect is based on the concept that direct spending into payroll and benefits results in additional spending in the surrounding community of those workers. For example, the employees of VW Chattanooga would spend money on local housing, restaurants, and retail. A portion of these earnings will be spent directly in Tennessee, whereas a portion may be spent in neighboring states of Georgia and Alabama.

Similar to the indirect spending, the total induced effect of spending in a particular economy depends on the dynamics of the particular geography and the industry in which the spending occurs in addition to the economic self-sufficiency of that economy.

We can compare the direct effect versus combined direct, indirect, and induced effect to calculate a “multiplier effect” for headcount and dollars spent. This reflects the relationship between the amount directly invested and its impact on the wider economy. This is a function of the industry, household composition, geography, and time where investment is made.

Assumptions and limitations

DBTA's analysis is based on the following assumptions:

- Data was provided by VWGoA, its dealerships, and Electrify America. Although DTBA checked the data for reasonableness compared to publicly reported figures and consistency between related figures (e.g., headcount and payroll), DBTA did not independently audit or verify the data and other information provided. DTBA is not providing an opinion on the information provided, nor is DTBA supporting the use of data in this report for regulatory or tax purposes. Differences between amounts used in this report and other regulatory and financial filings are due to differences in the purpose and classification of the information.
- The analysis is based upon economic contribution estimation techniques ("multipliers") for the latest available calendar year provided through the IMPLAN software. These multipliers are based on industry, sector and national or statewide averages and create an estimate of the indirect and induced effects.
- DBTA leverages IMPLAN estimates for tax impacts based on the data provided, and reports separate taxation data provided for sales taxes paid on sold and leased vehicles, and property taxes paid on leased vehicles. DTBA did not confirm if the former figures are inclusive of the latter.
- Where state-level estimates require scaling, reported indirect estimates are aligned for correspondence between direct figures, estimated induced estimates, and measured total impact
- Electrify America capital expenditure data was provided and estimated nationally, with its effects distributed according to the type and geographic distribution of the latest available data
- The commentary on the growth of supplier operations is based on feedback from Volkswagen and has not been verified with the suppliers listed. Our services did not constitute an audit conducted in accordance with generally accepted auditing standards, an examination of internal controls, or other attestation or review services in accordance with standards established by the AICPA, the Public Company Accounting Oversight Board or any other regulatory body. Therefore, we are not expressing an opinion or any other form of assurance as a result of performing our services.



An overview of U.S. operations

Employees and contractors

Volkswagen has employees and contractors in each of the 50 states and the District of Columbia. These employees and contractors support a wide variety of business functions, including manufacturing, credit and automotive leasing for consumers and businesses, corporate functions like finance and marketing, as well as research and development into vehicle electrification and self-driving vehicles.

- In 2024 there were 48,068 employees and contractors across VWGoA and its network of independent dealers. Contractors support similar roles to the employees, including customer service, manufacturing, and sales support at the dealerships.
- There are over 60 Volkswagen facilities nationwide, including 18 facilities dedicated to research and development of vehicle electrification, vehicle safety, and for autonomous vehicle operations.
- Non-dealership personnel are concentrated in Tennessee, Virginia, Michigan, Illinois, and California. Manufacturing is the largest individual area of personnel, centered on the facility in Chattanooga, Tennessee (“VW Chattanooga”).
- Electrify America personnel are concentrated in the Reston, Virginia headquarters, but, as discussed in later sections, contribute to infrastructure and manufacturing spending nationwide.

Table 4: Direct employment contribution, by state and area (2024)

State	VWGoA				Dealers	Total
	Management, credit/leasing, and research/development	Manufacturing, distribution, and port	Electrify America	Total VWGoA		
Alabama	2	-	4	6	583	589
Alaska	-	-	-	-	56	56
Arizona	105	-	1	106	627	733
Arkansas	2	-	1	3	152	155
California	491	65	22	578	5,929	6,507
Colorado	21	-	6	27	582	609
Connecticut	11	-	1	12	965	977
District of Columbia	1	-	-	1	-	1
Delaware	1	-	1	2	79	81
Florida	97	1	2	100	3,218	3,318
Georgia	56	-	5	61	684	745
Hawaii	-	-	-	-	95	95
Idaho	-	-	-	-	187	187
Illinois	379	-	7	386	1,484	1,870
Indiana	16	-	-	16	1,000	1,016
Iowa	2	-	-	2	350	352
Kansas	4	-	-	4	132	136
Kentucky	2	-	1	3	431	434

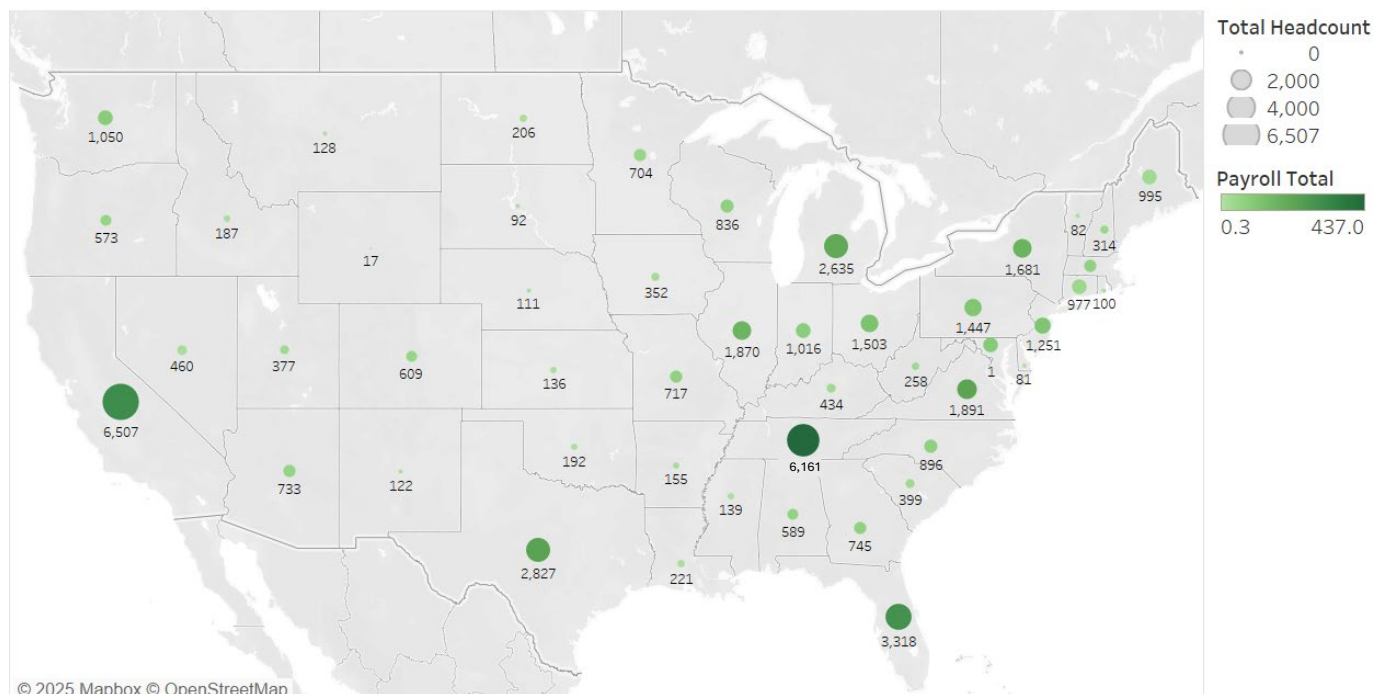
State	VWGoA				Dealers	Total
	Management, credit/leasing, and research/development	Manufacturing, distribution, and port	Electrify America	Total VWGoA		
Louisiana	3	-	1	4	217	221
Maine	-	-	-	-	995	995
Maryland	9	8	6	23	1,090	1,113
Massachusetts	12	-	3	15	716	731
Michigan	1,258	-	22	1,280	1,355	2,635
Minnesota	4	-	2	6	698	704
Mississippi	-	-	-	-	139	139
Missouri	6	-	-	6	711	717
Montana	1	-	-	1	127	128
Nebraska	-	-	-	-	111	111
Nevada	2	-	-	2	458	460
New Hampshire	7	-	-	7	307	314
New Jersey	50	169	2	221	1,030	1,251
New Mexico	1	-	-	1	121	122
New York	24	-	3	27	1,654	1,681
North Carolina	14	-	5	19	877	896
North Dakota	1	-	-	1	205	206
Ohio	10	-	1	11	1,492	1,503
Oklahoma	1	-	1	2	190	192
Oregon	123	-	2	125	448	573
Pennsylvania	38	-	3	41	1,406	1,447
Puerto Rico	-	-	-	-	-	-
Rhode Island	1	3	-	4	96	100
South Carolina	7	-	3	10	389	399
South Dakota	1	-	-	1	91	92
Tennessee	1,451	4,040	2	5,493	668	6,161
Texas	50	43	11	104	2,723	2,827
Utah	8	-	1	9	368	377
Vermont	-	-	-	-	82	82
Virginia	671	-	100	771	1,120	1,891
Washington	24	-	5	29	1,021	1,050
West Virginia	-	-	-	-	258	258
Wisconsin	29	36	1	66	770	836
Wyoming	-	-	-	-	17	17
Total	4,996	4,365	225	9,586	38,500	48,086

Source: Information provided by Volkswagen and IMPLAN economic modeling. Discrepancies due to rounding to nearest FTE.



Figure 2: Direct employment contribution, by state (2024)

Dots represent employees by work location; shading represents labor income in each state



Payroll and benefits

The payroll and benefits follow a similar distribution to the headcount, on a state-by-state basis:

- Volkswagen spent roughly \$3.7B on employee and contractor payroll and benefits in 2024. Payroll and benefits on a per capita basis are \$76,153.
- The highest per-capita income figures are registered in the credit/leasing, management, and manufacturing sectors.

Table 5: Direct payroll and benefits, by state and area (2024)

State	VWGoA Management, credit/leasing, and research/development	Manufacturing, distribution, and port	Electrify America	Total VWGoA	Dealers	Total
Alabama	0.3	-	-	1.0	58.6	59.7
Alaska	-	-	0.7	-	3.0	3.0
Arizona	9.7	-	-	9.7	44.0	53.8
Arkansas	0.3	-	0.1	0.4	15.4	15.8
California	63.8	6.1	0.1	74.6	238.4	313.0
Colorado	3.2	-	4.7	4.3	47.2	51.5
Connecticut	2.2	-	1.1	2.3	35.9	38.2

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State	VWGoA Management, credit/leasing, and research/development	Manufacturing, distribution, and port	Electrify America	Total VWGoA	Dealers	Total
District of Columbia	0.3	-	0.1	0.3	-	0.3
Delaware	0.2	-	-	0.4	6.3	6.7
Florida	12.9	0.2	0.2	13.6	278.3	291.9
Georgia	10.9	-	0.4	12.0	52.9	65.0
Hawaii	-	-	1.1	-	7.5	7.5
Idaho	-	-	-	-	15.7	15.7
Illinois	50.3	-	-	51.7	116.4	168.2
Indiana	2.0	-	1.4	2.0	79.0	81.0
Iowa	0.3	-	-	0.3	22.1	22.5
Kansas	0.7	-	-	0.7	11.0	11.6
Kentucky	0.3	-	-	0.4	29.9	30.2
Louisiana	0.4	-	0.1	0.7	12.0	12.6
Maine	-	-	0.2	-	29.8	29.8
Maryland	2.7	1.1	-	5.1	87.8	92.9
Massachusetts	2.5	-	1.2	3.0	62.7	65.7
Michigan	96.4	-	0.5	100.3	104.0	204.3
Minnesota	0.8	-	3.9	1.2	46.5	47.7
Mississippi	-	-	0.4	-	8.5	8.5
Missouri	1.1	-	-	1.1	64.2	65.3
Montana	0.1	-	-	0.1	8.1	8.3
Nebraska	-	-	-	-	8.0	8.0
Nevada	0.6	-	-	0.6	14.6	15.2
New Hampshire	1.3	-	-	1.3	40.2	41.5
New Jersey	8.5	13.0	-	21.9	89.0	110.9
New Mexico	0.2	-	0.5	0.2	8.9	9.1
New York	4.4	-	-	4.8	164.6	169.4
North Carolina	2.5	-	0.4	3.4	65.6	69.0
North Dakota	0.1	-	0.9	0.1	13.9	14.0
Ohio	1.6	-	-	1.7	115.1	116.8
Oklahoma	0.1	-	0.2	0.2	12.6	12.8
Oregon	12.1	-	0.2	12.4	36.8	49.2
Pennsylvania	6.3	-	0.3	7.0	98.1	105.1
Puerto Rico	-	-	0.7	-	4.4	4.4
Rhode Island	0.2	0.5	-	0.6	6.3	7.0
South Carolina	1.3	-	-	1.8	30.5	32.4
South Dakota	0.1	-	0.6	0.1	6.0	6.1
Tennessee	65.0	307.2	-	372.6	64.4	437.0
Texas	9.3	4.2	0.4	14.7	216.4	231.2
Utah	1.4	-	1.2	1.6	30.1	31.7
Vermont	-	-	0.2	-	8.9	8.9
Virginia	124.5	-	-	143.6	78.9	222.5
Washington	4.4	-	19.0	5.2	79.9	85.1

State	VWGoA Management, credit/leasing, and research/development	Manufacturing, distribution, and port	Electrify America	Total VWGoA	Dealers	Total
West Virginia	-	-	0.8	-	35.4	35.4
Wisconsin	3.4	2.6	-	6.2	61.5	67.7
Wyoming	-	-	0.2	-	1.0	1.0
Total	508.6	334.9	41.8	885.3	2,776.6	3,661.9

Dollar amounts in \$USD millions. Discrepancies due to rounding.

Source: Information provided by Volkswagen and IMPLAN economic modeling



Overall economic impact

Overall direct, indirect and induced effects

VWGoA, its dealerships, and Electrify America contribute significantly to the US economy, including through supplier operations, and in local economies. This is especially driven by employment and payroll across manufacturing and construction areas.

- Indirect and induced contributions were estimated at 115,329 jobs, contributing \$27.1B in payroll and benefits nationwide. In total Volkswagen and its associated operations were responsible for \$43.5B in direct, indirect, and induced gross output, which includes supplier spend, taxes, and labor income. The total to direct employment multiplier was 3.44, or 2.44 jobs created for every 1 Volkswagen job.
- The largest direct economic contribution is through the dealerships, accounting for a total of 38,500 employees and contractors with indirect and induced estimates of an additional 21,795 jobs associated with dealership suppliers and 27,317 jobs associated with household spend across all 50 states, the District of Columbia, and Puerto Rico.
- The multiplier effect of manufacturing jobs, which helps capture the overall effect associated with a particular economic activity is 13.1, indicating roughly 12 jobs are created for every 1 Volkswagen manufacturing job.
- The largest aggregate multiplier effect, however, is associated with Electrify America. The multiplier effect of 26.7 on headcount and multiplier effect of 11.2 on gross output is due to significant spending on highly economically significant infrastructure projects

Table 6: US economic contribution of Volkswagen's US operations (2024)

Contribution type	Direct contribution	Indirect contribution	Induced contribution	Total contribution
Employment and contractors				
Manufacturing	3,999	30,163	18,331	52,492
Credit/Leasing	820	882	1,106	2,808
Distribution	340	145	219	704
Port	26	3	28	57
Management	3,291	4,601	3,550	11,442
Research Testing	885	1,199	1,262	3,346
Electrify America	225	3,617	2,166	6,009
Dealerships	38,500	21,795	27,317	87,612
Total Employment	48,086	61,717	54,666	164,470
Labor income				
Manufacturing	\$303.9	\$2,632.0	\$1,242.4	\$4,178.3
Credit/Leasing	\$112.2	\$66.5	\$74.9	\$253.7
Distribution	\$26.6	\$9.0	\$14.9	\$50.4
Port	\$4.4	\$0.2	\$1.9	\$6.5
Management	\$285.4	\$445.7	\$240.6	\$971.7
Research Testing	\$111.0	\$93.0	\$85.5	\$289.5
Electrify America	\$41.8	\$307.5	\$146.8	\$496.0
Dealerships	\$2,776.6	\$1,638.8	\$1,851.4	\$6,266.8

Contribution type	Direct contribution	Indirect contribution	Induced contribution	Total contribution
Total Labor Income	\$3,661.9	5,192.6	\$3,658.4	\$12,512.9
Gross output				
Manufacturing	\$6,238.5	\$10,277.5	\$3,869.3	\$20,385.3
Credit/Leasing	\$355.7	\$142.7	\$233.3	\$731.7
Distribution	\$43.6	\$24.4	\$46.3	\$114.4
Port	\$6.3	\$0.4	\$6.0	\$12.7
Management	\$1,122.2	\$466.1	\$749.3	\$2,337.6
Research Testing	\$304.6	\$217.7	\$266.3	\$788.6
Electrify America	\$132.5	\$893.0	\$457.0	\$1,482.4
Dealerships	\$8,787.7	\$3,526.0	\$5,764.9	\$18,078.6
Total gross output	\$16,991.1	\$15,547.8	\$11,392.4	\$43,931.3

Dollar amounts in \$USD millions

Source: Information provided by Volkswagen and IMPLAN economic modeling

The impact upon suppliers

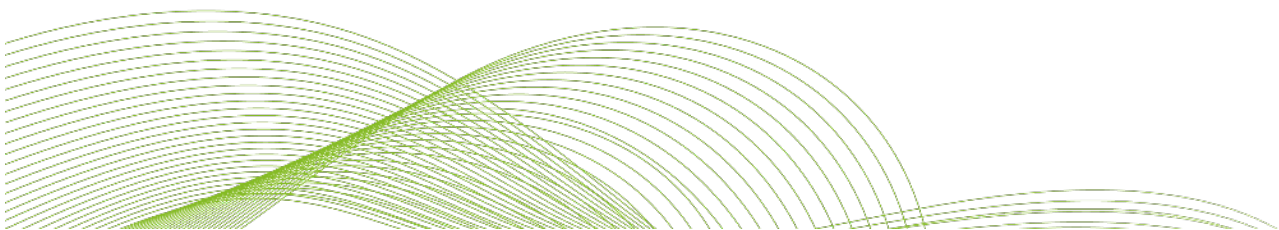
This report incorporates insights shared by specialists from VWGoA about ongoing expansions of their US-based manufacturing capacity. As noted above, VWGoA increased the headcount of employees engaged in manufacturing at their primary manufacturing location in Chattanooga by more than 25% increase since 2019; however, VWGoA's impact to the American economy is more substantial when considering its suppliers. American suppliers remain far and away the largest supplier of Volkswagen's core operations, providing more than \$3.7 billion in direct sourcing for Volkswagen, a figure accounting for more expenditures than the next 34 countries of suppliers combined. These suppliers come from across the country and provide services from standardized car frame components to interiors.

The largest US-based suppliers of VWGoA include:

- **Gestamp Automoción, S.A.** – Sheet metal purchases critical for core operations at the facility (Tennessee)
- **Hyundai Transys Georgia Powertrain Inc** – Manufactures automatic transmission systems for the Atlas and Cross Sport (Georgia)
- **Faurecia Emissions Control Technologies USA LLC** – Provides vehicle interiors and emissions controls technology (Tennessee)
- **Yanfeng Automotive Interiors** – Sourcing for automotive interiors, majority interiors and plastics (Tennessee, Michigan)
- **Adient US LLC** – Manufactures seat systems, specifically the bases, and related components (Tennessee)
- **Sese Industrial Services** – Produces axles and corners for vehicles (Tennessee)

Building on its longstanding commitment to the American economy, Volkswagen's Chattanooga operations continue to rely on a diverse and extensive network of suppliers. In 2024, direct sourcing for Volkswagen reflected as supplier sales volume, reached approximately \$7.02 billion USD, underlining the significant economic impact driven by VWGoA's sourcing. Of this total, sales volume from US-based suppliers accounted for over half. The top 3 countries by supplier sales volume – USA, Mexico, and Hungary – represent a majority of this activity.

These are in addition to suppliers located in a supplier park in Chattanooga, Tennessee.



Tax contribution

Tax contribution

VWGoA, its dealerships, and Electrify America accounted for nearly \$4.6B in direct, indirect, and induced taxes paid in 2024, in addition to taxes from vehicles leased and sold.

- At the Federal level, Payroll taxes were the largest portion of taxes, with over \$1.3B in estimated Federal payroll taxes, and \$2.6B contributed in direct, indirect, and induced Federal income and payroll tax contributions.
- At the Federal level, individual income and payroll taxes had the highest multipliers (\$2.6 in additional tax contributions per \$1 in taxes), followed closely corporate income taxes (\$2.4 in additional tax contributions per \$1 in taxes)
- At the state level, sales taxes comprise the largest portion of taxes, with \$934M in total taxes estimated to be collected from direct, indirect, and induced sources
- There were \$190.2M in sales taxes paid by customers in 2024 for sold and leased vehicles, in addition to \$32.1M in property taxes paid on leased vehicles.

Table 7: US tax contribution, by tax type (2024)

	Direct contribution	Indirect contribution	Induced contribution	Total contribution
Federal taxes				
Corporate income	\$156.6	\$101.9	\$116.4	\$374.9
Individual income	\$468.7	\$383.3	\$356.0	\$1,208.1
Payroll tax	\$532.4	\$441.7	\$405.1	\$1,379.2
Excise tax	\$32.7	\$7.8	\$11.9	\$52.4
Customs duties and fees	\$28.8	\$6.9	\$10.5	\$46.2
Total federal taxes and duties	\$1,219.3	\$941.5	\$899.9	\$3,060.7
State taxes				
Individual income taxes	\$106.8	\$87.6	\$81.1	\$275.5
Sales taxes	\$583.5	\$138.7	\$212.0	\$934.2
Excise, license and other taxes	\$95.6	\$22.7	\$34.7	\$153.1
Corporate income taxes	\$53.6	\$34.9	\$39.8	\$128.3
Total state tax	\$839.4	\$283.9	\$367.6	\$1,491.0
Additional taxes				
Sales tax on sold and leased vehicles				\$190.2
Property tax on leased vehicles				\$32.1
Total sales and property tax on sold and leased vehicles⁴				\$222.3

Dollar amounts in \$USD millions

Source: Information provided by Volkswagen and IMPLAN economic modeling. Sales tax and property on leased vehicles reflect directly reported data.

⁴ Sales and property taxes on sold and leased vehicles are separated from the total taxes listed above due to limitations of the IMPLAN software.

State-level tax contribution

There were \$407.1M paid in taxes across the six states listed below in 2024.

- Volkswagen's largest proportion of its tax contribution amongst the six states listed below, constituting over \$407.1M
- The largest direct tax component came from dealerships located in California, directly contributing \$233.6M in tax revenue
- Electrify America operations in California also provided \$32.5M in tax revenue
- The largest multiplier effect of direct taxes paid compared to total taxes paid was 2.3 in Tennessee.

Table 8: State-level tax contribution for states of interest (2024)

State	Direct tax contribution				Indirect taxes	Induced taxes	Total taxes
	VWGoA	Dealerships	Electrify America	Total			
California	\$44.3	\$233.6	\$32.5	\$310.3	\$48.9	\$78.8	\$438.0
Illinois	\$50.4	\$98.6	\$1.6	\$150.5	\$22.8	\$37.3	\$210.6
Michigan	\$59.5	\$74.8	\$0.5	\$134.8	\$13.8	\$32.8	\$181.4
Tennessee	\$201.4	\$51.2	\$0.0	\$252.7	\$191.0	\$131.6	\$575.2
Texas	\$11.6	\$161.0	\$0.0	\$172.6	\$24.2	\$43.2	\$240.0
Virginia	\$95.2	\$66.4	\$0.0	\$161.6	\$13.9	\$27.8	\$203.4
Total	\$407.1	\$685.6	\$34.5	\$1,182.5	\$314.5	\$351.6	\$1,848.5

Dollar amounts in \$USD millions

Amounts exclude taxes paid for the sale and lease of vehicles at dealerships

Source: Information provided by Volkswagen and IMPLAN economic modeling



Figure 3: The Launch team standing before the ID-4

Manufacturing capabilities, and the impact of vehicle electrification

Volkswagen Group of America has made multiple, additional, high-impact investments in their product development and manufacturing capabilities across their ten product development locations, nine of which are located in the United States. Product development work for the Volkswagen brand continues to be done in the United States at its Chattanooga facilities, especially the Chattanooga Engineering Hub. This research includes infotainment, internet connectivity capabilities, and software testing, alongside capabilities like driver-assistance systems, parking support functions, and lane changing tools. Development of these capabilities give Volkswagen its deserved reputation as a car maker producing high-quality vehicles with the most in-demand functions.

Investments include the following:

- North American Battery Engineering Lab:** In 2022 VWGoA opened its North American Battery Engineering Lab (BEL) in Chattanooga, and continues to expand its capabilities at the Lab. This \$22 million investment was designed to ramp up production of the American-assembled ID.4, the best-selling electric vehicle in the VWGoA inventory, to 7,000 cars a month.⁵ Today, these investments mean the ID.4 continues to be the best-selling EV in Europe, and in January of this year was amongst the top 3 electric vehicles sold in the United States.⁶
- Chattanooga Engineering Hub - Expansion:** The Chattanooga Engineering Hub (CEH) has grown dramatically in scope from one location to three, with a fourth slated to be added in the coming year. This includes factory space with substantial capital expenditures on important functions, like vehicle lifts and prototype-safe security protocols for the latest vehicles. In total, roughly \$35M in investments have been made at the primary location to enable the next generation of vehicle systems.
- Chattanooga Engineering Hub - Staffing:** The CEH has more than tripled the number of engineers that it employs at its Chattanooga location, driven by the ambitions of the company to roll out multiple, complex, high-value products across their vehicle offerings.
- VWGoA has also made investments in over 90 different pieces of capital equipment, further streamlining product development. These include vision guided robots and robot-driven automatic bolt fasteners in the body shop, topcoat, supply, sealer, and paint checking capabilities on the painting side, vine scribe, cockpit automation cell, and battery pick and place robots on the assembly line, and automated milling, and plasma laser weld inspection machines in the battery site. These more automated capabilities are highly efficient

Spotlight: Volkswagen Continues to Make US-centered Manufacturing its #1 Priority

“We’re just starting to write a new chapter for Volkswagen in America, and it is very much an American story,” said Thomas Schäfer, Chairman of the global Volkswagen brand.

“When we promised to bring Volkswagen EVs to the millions, it always included American workers building those EVs right there in Chattanooga. We couldn’t be prouder to see that vision realized today with our ID.4 electric flagship rolling off the lines. This is another milestone in Volkswagen’s ambitious electrification strategy for the U.S. market and globally.”

Source: [VW Media Site](#)

⁵ "Volkswagen starts operation of North American Battery Engineering Lab in Chattanooga". VW US Media. June 8th, 2025. Accessed March 3rd, 2025. Accessible at: <https://media.vw.com/en-us/releases/1687>. See also: "Volkswagen starts U.S. assembly of all-electric ID.4 flagship in Chattanooga, Tennessee". July 26th, 2022. VW US Media. Accessed March 3rd, 2025. Accessible at: <https://media.vw.com/en-us/releases/1698>.

⁶ Johnson, Peter. "Volkswagen ID.4 was the best-selling EV in Europe, top 3 in the US last month". Electrek. February 28th, 2025. Accessed March 3rd, 2025. Accessible at: <https://electrek.co/2025/02/28/volkswagen-id-4-best-selling-ev-europe-top-3-us-jan/>.

compliments to VW's large expenditures in human capital and dozens of other robots and pieces of capital equipment.

Developing National Infrastructure – Electrify America, the Gulf Coast Hub, and the Future of Driving in America

Electrify America

As part of its Cycle 4 plan, Electrify America continues to invest in the future of electric vehicles across the United States. This includes a combination of investment in national infrastructure and national marketing, including on education and events.

- Electrify America's national budget totals roughly \$300M, including initiatives across the entirety of the United States, providing thousands of jobs directly and indirectly⁷
- Combined with the previous Cycle plans, Electrify America will invest a total of \$1.2 billion over a ten-year period as part of the Cycle plans, itself part of an investment program totaling more than \$2 billion^{8,9}
- Electrify America's network has already been developed to the point that 97% of Americans live within 120 miles of an Electrify America charging station, with stations including an average of 4.4 chargers, and charging ports having improved to enable charge rates of between three and twenty miles of range per minute¹⁰
- These increased capabilities are the product of Electrify America's investments in its Gen 5 chargers, which include more robust power modules, better firmware, and expanded availability compared with previous chargers¹¹
- As part of its Cycle 4 plan, Electrify America's National Infrastructure plan includes plans to spend \$190M in spending on operations and maintenance, and \$50M for improving station reliability alongside additional upgrades to the existing network¹²
- In 2024, EA constructed 81 new locations with a total of 512 dispensers, increasing the total nation dispenser network by more than 13% with a higher average number of dispensers per station

Gulf Coast Hub – Freeport, Texas

On March 13th, 2024, the first shipment of cargo was received at Volkswagen's Gulf Coast Hub. This brand-new facility, located in Freeport, Texas, was opened to enable expanded port processing capabilities after years of service concentrated in the Port of Houston. The Gulf Coast Hub was the result of several years of negotiation, starting around 2020, with investment being secured and ground being broken in 2022. Currently the facility can receive upwards of 140,000 cars a year, serving brands including VW, Audi, Porsche, Lamborghini, and Bentley, while being the primary supplier for dealerships across roughly twenty states.¹³ In total, the port facility amounted to an investment of \$114M USD and serves more than 300 independent dealerships across the United States.¹⁴ With its location directly on the port, the Gulf Coast Hub is able to interface directly between maritime shipping and the American rail system, with seven rail heads connected to the facility.

The Gulf Coast Hub is a massive investment in the Texan economy, containing processing and storage capabilities for 11 bays with 60 cars per bay, and typically unloading, processing, and shipping cargo off of vessels within a few days. This vital, fast-moving work provides direct employment for about 110 employees at the facility. In addition to these

^{7,7} "Public National ZEV Investment Plan: Cycle 4". Electrify America. June 27th, 2024. Accessed February 28th, 2025. Accessible at: <https://www.electrifyamerica.com/assets/pdf/cycle4-plan-national.4dd9ce5b.pdf/>. Page 8.

⁸ Loc Cit.

⁹ Geiger, Tara. "Newsflash: Electrify America and Costco Wholesale Open New Charging Stations". Electrify America. December 10th, 2024. Accessed February 28th, 2025. Accessible at: <https://media.electrifyamerica.com/releases/260>.

¹⁰ Loc Cit.

¹¹ Ibid. 20.

¹² Ibid 6.

¹³ Above figures provided in conversation with two employees who work at the facility and supporting operations.

¹⁴ "Volkswagen Group of America opens new Gulf Coast hub in Freeport, Texas". VW US Media Site. October 2nd, 2024. Accessed 3/20/25. Accessible at: <https://media.vw.com/releases/1819>.

direct jobs, the Gulf Coast Hub also provides work for roughly 100 additional jobs covered by the International Longshoremen's Association, Local 24. It also marks a flagship investment of VWGoA into the American economy.

The facility is already giving back to its local community. Within the harbor itself, the port has implemented practices in erosion-control and environmental preservation, incorporating indigenous flora into its harbor to conserve the local ecosystem.¹⁵ Within the wider community, the Hub donated ten vehicles to Alvin Independent School District's JB Hensler College and Career Academy's Collision Repair program in 2023, giving students the ability to practice automotive repair as part of the Collision Repair Education Foundation.¹⁶ The Gulf Harbor Port also began a credential program in vehicle logistics in partnership with Brazosport College.¹⁷

The Future of Mobility in America

VWGoA rolled out its autonomous vehicle plan in June of 2023 when it announced the launch of its autonomous driving vehicle test fleet in Austin, Texas.¹⁸ This all-electric fleet of ID-4s partnered with the technology company Mobileye to provide early-stage testing for the first generation of cars capable of substantially driving themselves. The fleet consists of specially designed ID Buzz vehicles, deployed with the aim of expanding operations to at least four more American cities, with a launch scheduled for 2026.

The importance of this investment for the future of American motorists was highlighted by Christian Senger, Member of the board of management of Volkswagen Commercial Vehicles, stating that "Expanding our autonomous vehicle program to the North American Region is the next step in our global strategic roadmap, and the result of a long-term collaborative investment". Senger then emphasized the importance of safety, validation, and augmentation as part of the roadmap, adding "Moving into this next phase will help us test, validate and refine technology, bring us closer to establishing commercially available transportation offerings and eventually grow the diverse mobility portfolio for the Volkswagen Group."¹⁹

Figure 4: Volkswagen/Uber Partnership Fleet



Volkswagen announced a partnership with Uber in April of 2025.²⁰ This partnership is slated to begin testing in late 2025, during which the vehicles will have human operators onboard to provide feedback and an additional layer of safety and testing under operating conditions. Rides are planned to be available for the autonomous, all-electric vehicles by 2026.

¹⁵ Above description substantiated in conversation with two employees who work at the facility and supporting operations.

¹⁶ "JB Hensler Collision Repair Program Ready to Test Their Skills". July 20th, 2024. *Alvin Independent School District*. Article provided by a representative of VWGoA.

¹⁷ "Jumpstart your Career". *Brazosport College*. Publication Date est. 2024. Flyer provided by a representative of VWGoA.

¹⁸ "Volkswagen launches its first autonomous driving test program in the United States". VW US Media. July 6th, 2025. Accessible at: <https://media.vw.com/releases/1750>.

¹⁹ Ibid.

²⁰ "Volkswagen and Uber launch long-term strategic partnership to deploy autonomous ID. Buzz vehicles on the Uber platform". VW US Media. April 24, 2025. Accessible at: <https://media.vw.com/releases/1866>.

Investing in Local Education

University of Tennessee Innovation Hub

In January 2020, VWGoA and the University of Tennessee announced a collaboration to create Volkswagen's first research and innovation hub in North America at the University of Tennessee Research Park at Cherokee Farm.²¹ In October of 2023 this agreement was reaffirmed when Volkswagen Group of America (VWGoA) signed a new Master Research Agreement (MRA) with the University of Tennessee, Knoxville.

This new agreement supports 27 active research projects, responsible for 15 publications and multiple pending patents. This MRA will continue to advance research into the latest findings in sustainability and efficiencies in automotive processes.²²

The collaboration, which includes Oak Ridge National Laboratory, the largest U.S. Department of Energy science and energy laboratory, includes investments into research regarding AI-optimized materials, renewable and sustainable materials for car interiors, lightweight fiber composites for vehicle parts, and cordless charging technologies for car batteries.²³ Results from these researches have already produced 3D-printed materials capable of supporting 30 times their own weight, with greater energy absorption than steel, sheet molded compounds that reduce the weight of certain vehicle parts by 13 percent, with corresponding improvements to vehicle range, while cordless charging technologies utilizing silicon-carbide materials now enable charging to be "as easy and comfortable as pulling into a normal garage spot".²⁴

UT Chattanooga and Volkswagen additionally developed an MBA program that allows Volkswagen employees to earn a degree by taking classes at the plant or on campus.

"We want Tennessee, which is already a major manufacturer of automobiles, to be a destination for mobility research and innovation. That's why we are so proud to have a partner like Volkswagen Group, which is a global leader in the automotive industry... Together, we leverage the real-world experience of industry and the ingenuity of UT faculty and students to solve critical problems and create the vehicles of the - future."

*Deb Crawford,
University of
Tennessee Vice*



Volkswagen eLabs

VWGoA has a commitment to supporting local education through its eLabs program in Hamilton County, Tennessee. These investments in the school district, which have been augmented by more than \$5 million in grant funding, are amongst the largest ever, and once completed the program will bring the total number of Volkswagen eLabs in the county to 53.²⁵

The eLabs are designed to be places where schoolchildren can learn more about the processes behind STEM technologies in an open and inclusive environment. They have been praised for giving many students the opportunity to learn more about career paths that will help expand American manufacturing.²⁶

²¹ "Volkswagen, UT, and ORNL Announce Partnership, Innovation Hub". January 17th, 2020. News - The University of Tennessee Knoxville. Accessed February 20th, 2025. Accessible at: <https://news.utk.edu/2020/01/17/volkswagen-ut-and-ornl-announce-partnership-innovation-hub/>.

²² "Volkswagen Group of America and the University of Tennessee, Knoxville extend research partnership through 2028". Releases - Volkswagen Group of America. Accessed February 20th, 2025. Accessible at: <https://media.vw.com/en-us/releases/1766>.

²³ "Volkswagen Group of America's Knoxville Innovation Hub reveals research breakthroughs to increase EV range and recycle vehicle materials". July 18th, 2023. Accessed March 3rd, 2025. Accessible at: <https://media.vw.com/releases/1751>.

²⁴ Loc Cit.

²⁵ "Volkswagen eLabs expanding in Hamilton County Schools". Local3 News. May 31st, 2023. Accessed March 3rd. Accessible at: https://www.local3news.com/local-news/volkswagen-elabs-expanding-in-hamilton-county-schools/article_aa5c35b8-edf6-11ed-9c5e-6777737424f0.html

²⁶ Harrison, Andrew. "What's Right with Ours Schools: Hamilton County Schools eLabs". WDEF. September 12th, 2022. Accessible at: <https://www.wdef.com/whats-right-with-ours-schools-hamilton-county-schools-elabs/>.

Mechatronics Akademie

Mechatronics Akademie is a program sponsored by VWGoA and supporting numerous Tennessee high school and college educational institutions by sponsoring courses in mechanics, electronics, information, and computing. The program, formed through a collaboration between Volkswagen Chattanooga, Chattanooga State Community College, and Hamilton County Schools, has been supporting an annual class of students since 2018.

The students graduate with over 35 college credits that can be applied to an Associate of Applied Science (AAS) degree, and the program has been supporting pathways to other post-secondary education, including the VW Academy.²⁷ The number of enrolled students in the Mechatronics Akademie has roughly doubled over the course of the last two years, with a total enrollment in the 2024 cycle of 27 students.

"We are beyond excited and honored to be part of such a wonderful group of schools that allow children to have the opportunity to engage in things like coding and engineering."
Robin Bambrey, Principal at Hardy Elementary School.

Source: [WDEF](#)



VW Academy

The VW Academy, founded in 2010, provides an apprenticeship program for college students in the areas of automotive engineering and electrification, and supports upskilling of employees within the VW Chattanooga facility. The inaugural program is the Robotronics Technology Expert certification program. This program gives guided training in relevant industry technologies and processes as well as hands-on experience working alongside Volkswagen professionals.²⁸

Figure 5: Students outside the Volkswagen Academy



In 2021, VWGoA started a new program called the Electronic Vehicle Expert program (ECE), since renamed to the Automotive Systems Technology (AST) program, which includes training on EV technology like high voltage battery seminars and more trainings on advanced welding. The training courses on high voltage systems provide students with the ability to understand the differences in batteries between electric cars and standard internal combustion engines. Aluminum welding courses, as distinct from the conventional steeling welding courses more typically taught in industry, are upskilling the next generation of workers in the skills necessary for working with electric vehicle batteries.²⁹ Collectively, new applications in the AST and RTE programs have more than doubled from 2022 to 2024.

²⁷ *High School Mechatronics Akademie at Volkswagen Chattanooga*. May 2, 2018. Retrieved from <https://media.vw.com/en-us/releases/1016>

²⁸ "Welcome to the Volkswagen Apprenticeship Programs". Volkswagen. Accessed March 21st, 2025. Accessible at: <https://careers.vw.com/go/Robotronics/8943800/>.

²⁹ "NEWSROOM: Preparing and upskilling auto workers for the EV revolution". VW Media. May 10th, 2021. Accessed March 3rd, 2025. Accessible at: <https://media.vw.com/en-us/releases/1530>

Social Investments and Philanthropic Activities

VWGoA made over \$7.5M in charitable donations over the course of 2024. These donations supported educational, sporting, cultural, and community development events and initiatives throughout the United States. Volkswagen's social contributions have increased by 67% since 2019.

VWGoA is a partner of US Soccer. "Just as Volkswagen is the people's car, soccer is the people's sport; both represent accessible fun for everyone," said Pablo Di Si, President and CEO of Volkswagen Group of America.³⁰ It has put its vision of a global and inclusive world of sports into practice supporting or partnering with U.S. Soccer in the following areas:

1. The Youth Soccer Global Sleepaway Camp

- VWGoA supports Cerebral Palsy (CP) Soccer's Annual Global Sleepaway Camp. This last year, for the first time, deaf youth were also invited to participate.³¹ This camp gives the opportunity for young people who have a range of brain injuries—including cerebral palsy, stroke, or traumatic brain injury—the same opportunities as young people who are able to compete in Olympic or Special Olympic Soccer.

2. The U.S. Soccer Youth Clinics

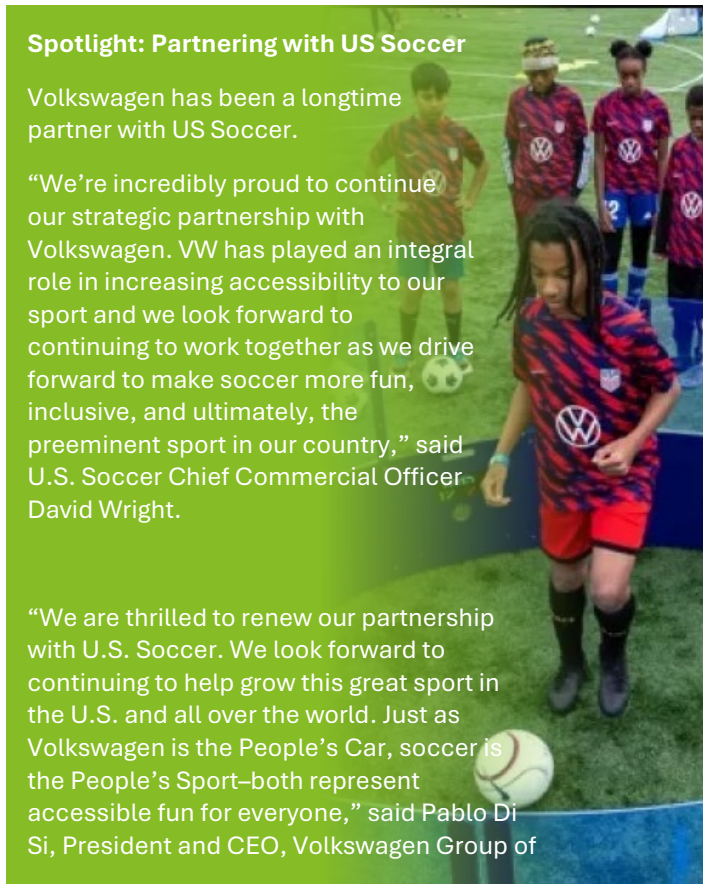
- VW Youth Soccer Clinics are part of a "multi-city, national youth soccer clinic". These "address issues surrounding mobility, sustainability, diversity and inclusion". These clinics partner with local youth organizations for children aged 10 to 14, bringing soccer to historically underserved youths. Volkswagen supports these programs as part of its commitment "to reduce barriers for participation and increase opportunities for underrepresented youth"³²

Spotlight: Partnering with US Soccer

Volkswagen has been a longtime partner with US Soccer.

"We're incredibly proud to continue our strategic partnership with Volkswagen. VW has played an integral role in increasing accessibility to our sport and we look forward to continuing to work together as we drive forward to make soccer more fun, inclusive, and ultimately, the preeminent sport in our country," said U.S. Soccer Chief Commercial Officer David Wright.

"We are thrilled to renew our partnership with U.S. Soccer. We look forward to continuing to help grow this great sport in the U.S. and all over the world. Just as Volkswagen is the People's Car, soccer is the People's Sport—both represent accessible fun for everyone," said Pablo Di Si, President and CEO, Volkswagen Group of



3. America Scores

- America Scores is the host of the SCORES cup, the "world's largest annual corporate charity soccer tournament series", which has run for almost two decades across 13 cities. The tournament also acts as a fundraiser, providing over \$1,500,000 for America SCORES students, 85% of which live below the

³⁰ "Volkswagen Announces Multi-Year Partnership Extension with the U.S. Soccer Team". Southern Volkswagen Greenbrier. November 12th, 2022. Accessed March 3rd, 2025. Accessible at: <https://www.southernvolkswagengreenbrier.com/volkswagen-announces-multi-year-partnership-extension-with-the-u-s-soccer-team/>

³¹ "Our U.S. Soccer Federation partnership". Volkswagen. Accessed 2/19/2025. Accessible at: <https://www.vw.com/en/community-and-brand/championing-change/ussf-partnership.html>

³² "America SCORES". America SCORES. Accessed February 19th, 2025. Accessible at: <https://www.americascopes.org>

poverty line.³³ The America SCORES program serves more than 20,000 young people a year, and has served over a quarter of a million young people since it began.³⁴

4. The Player Honoree program

- Volkswagen works with the U.S. Soccer league to give “a diverse range of youth players the chance to walk out alongside the U.S. players at the start of every USSF friendly”³⁵

VWGoA also made a substantial donation to Junior Achievement of Greater Washington, with a donation of \$25,000. Junior Achievement to promote “financial literacy, work readiness, and entrepreneurship programs”.³⁶

VWGoA’s flagship automotive plant in Chattanooga provided over \$200,000 in charitable donations and sponsorships into the community. These included multiple, substantial donations to institutions including the University of Tennessee Knoxville, the University of Tennessee Chattanooga, Chattanooga State Community College, and Tennessee Tech University. It also included a large donation to the non-profit United Way, which supports a range of community programs and charitable initiatives across the globe.

Substantial additional charitable donations take place across the United States. VWGoA’s commitment to giving back to the community includes investments in hospitals, including donations to charities procuring equipment, programs, and staff supporting neonatal, pediatric, and cardiac intensive care units, as well as supporting wider programs ranging from child abuse prevention to extracorporeal membrane oxygenation (ECMO) systems.³⁷ They also includes donations for programs providing “essential services that remove barriers, strengthen families, and promote healing when children need healthcare”, and working to [unite] the community to end homelessness.^{38,39} Taken together, just two of these programs provide aid services to 1,445 families, and temporary housing for 1,200 unhoused people.⁴⁰

A New Generation of American Assembled Vehicles

VWGoA’s latest generation of cars—the ID-4, the Atlas, and the Cross Sport—are all assembled at VWGoA’s flagship Chattanooga facility. This facility has also seen numerous capital investments, including more than \$120M in investments for the battery shop, \$193M in investment in the body fabrication plant, and investment into more than 90 robotic tools and autonomous systems.

Chattanooga has become the centerpiece of VWGoA operations, expanding direct headcount by roughly 30% since 2019 and indirectly employing over 16,000 other workers in supporting functions relating to the facility. It has also become more deeply enmeshed in American industry, including through the resourcing of key suppliers such as Hyundai Transys Georgia Powertrain Inc, which provides critical components like automatic transmissions to several vehicle lines, in compliance with the United States Mexico Canada Agreement (USMCA).

³³ “About America SCORES”. America Scores. Accessed February 19th, 2025. Accessible at: <https://www.americascors.org/about-us>

³⁴ “Our History”. America SCORES. Accessed February 19th, 2025. Accessible at: <https://www.americascors.org/our-history>

³⁵ “Our U.S. Soccer Federation partnership”. Volkswagen. Accessed February 19th, 2025. Accessible at: <https://www.vw.com/en/community-and-brand/championing-change/ussf-partnership.html>

³⁶ “Engaging the Community”. Junior Achievement of Greater Washington. Online. Accessed February 11th, 2025. Accessible at: <https://www.myja.org>

³⁷ “Celebrating 28 Years with the Vision of Tomorrow’s Children”. Walter’s Children’s Charity Classic. Accessed February 11th, 2025. Accessible at: <https://www.waltersccc.org/our%20story>.

³⁸ “Our Mission”. Ronald McDonald House Charities. Tampa Bay. Accessed February 11th, 2025. Accessible at: <https://rmhctampabay.org/our-mission/>.

³⁹ “Roof Above”. Roof Above. Accessed February 11th, 2025. Accessible at: <https://www.roofabove.org/learn/>.

⁴⁰ “About Roof Above”. Roof Above. Accessed February 11th, 2025. Accessible at: <https://www.roofabove.org/about-us/>.

Appendix: State-level economic impact

Volkswagen headcount, labor income, and gross output, by state

Volkswagen has downstream indirect and induced contribution across all 50 states, as well as the District of Columbia.

- California, Florida, Michigan, Tennessee, Texas, and Virginia account for 80,464 direct, indirect, and induced jobs, almost half of the total headcount studied.
- California had the largest total employment contribution, with 22,335 direct, indirect, and induced jobs. This total is closely followed by Tennessee, Florida, and Texas
- Tennessee registered the most economically productive state for operations, with 16,808 total direct, indirect, and induced headcount, and over \$6.7B in gross output, driven by its substantial investments in manufacturing, and research facilities for studying cutting-edge materials and technologies around electric vehicles

Table 9: Total economic contributions for Volkswagen (2024)

State and area	Employment and contractors		Labor Income		Gross Output	
	Direct contribution	Total contribution	Direct contribution	Total contribution	Direct contribution	Total contribution
Alabama	589	1,244	\$59.7	\$62.3	\$82.8	\$210.2
Alaska	56	121	\$3.0	\$8.4	\$11.5	\$27.3
Arizona	735	2,755	\$53.8	\$200.3	\$241.4	\$680.0
Arkansas	155	430	\$15.8	\$24.0	\$33.0	\$83.1
California	6,507	22,335	\$313.0	\$1,761.7	\$2,155.0	\$5,811.9
Colorado	609	3,199	\$51.5	\$294.5	\$331.4	\$922.2
Connecticut	977	2,793	\$38.2	\$224.5	\$264.8	\$703.0
Delaware	81	338	\$6.7	\$30.8	\$36.5	\$92.6
District of Columbia	1	19	0.3	\$1.2	\$1.3	\$3.4
Florida	3,318	15,280	\$291.9	\$1,175.4	\$1,324.2	\$3,785.0
Georgia	745	4,404	\$65.0	\$327.2	\$369.2	\$1,063.6
Hawaii	95	312	\$7.5	\$25.2	\$37.5	\$89.7
Idaho	187	443	\$15.7	\$27.4	\$33.3	\$87.4
Illinois	1,870	7,808	\$168.2	\$634.8	\$737.4	\$2,059.0
Indiana	1,016	2,424	\$81.0	\$137.8	\$178.9	\$460.7
Iowa	352	680	\$22.5	\$33.7	\$43.9	\$110.2
Kansas	136	640	\$11.6	\$50.5	\$71.4	\$180.0
Kentucky	434	957	\$30.2	\$51.2	\$63.4	\$164.9

State and area	Employment and contractors		Labor Income		Gross Output	
	Direct contribution	Total contribution	Direct contribution	Total contribution	Direct contribution	Total contribution
Louisiana	221	955	\$12.6	\$74.0	\$107.0	\$264.8
Maine	995	3,838	\$29.8.4	\$306.5	\$398.9	\$1,042.9
Maryland	1,113	2,479	\$92.9	\$148.5	\$187.0	\$481.1
Massachusetts	731	1,712	\$65.7	\$119.8	\$121.6	\$339.6
Michigan	2,635	5,713	\$204.3	\$328.3	\$354.5	\$956.9
Minnesota	704	2,325	\$47.7	\$179.3	\$319.7	\$561.6
Mississippi	139	293	\$8.5	\$13.4	\$20.2	\$49.1
Missouri	717	1,894	\$65.3	\$110.8	\$137.2	\$371.2
Montana	128	254	\$8.0	\$12.8	\$13.9	\$37.9
Nebraska	111	426	\$8.0	\$31.3	\$41.2	\$106.9
Nevada	460	1,529	\$15.2	\$122.4	\$150.5	\$388.1
New Hampshire	314	895	\$41.5	\$74.9	\$78.7	\$208.2
New Jersey	1,251	5,278	\$110.9	\$502.7	\$559.7	\$1,507.0
New Mexico	122	270	\$9.1	\$15.5	\$23.0	\$57.3
New York	1,681	6,392	\$169.4	\$630.7	\$761.3	\$1,979.6
North Carolina	896	3,850	\$69.0	\$312.8	\$352.3	\$973.9
North Dakota	206	377	\$14.0	\$19.7	\$26.4	\$63.5
Ohio	1,503	3,748	\$116.8	\$212.2	\$372.8	\$732.0
Oklahoma	192	859	\$12.8	\$61.5	\$77.8	\$207.2
Oregon	573	2,183	\$49.2	\$178.2	\$190.0	\$520.3
Pennsylvania	1,447	5,683	\$105.1	\$444.2	\$517.0	\$1,422.3
Puerto Rico	-	-	\$4.4	\$-	\$0.0	\$-
Rhode Island	100	359	\$7.0	\$29.1	\$37.5	\$95.9
South Carolina	399	2,128	\$32.4	\$157.2	\$188.9	\$501.3
South Dakota	92	182	\$6.1	\$9.6	\$12.8	\$31.8
Tennessee	6,161	16,808	\$437.0	\$1,037.8	\$2,704.4	\$6,732.2
Texas	2,827	14,745	\$231.2	\$1,266.1	\$1,389.1	\$3,946.9
Utah	377	1,607	\$31.7	\$129.8	\$163.7.1	\$442.7
Vermont	82	343	\$8.9	\$29.2	\$37.5	\$95.6
Virginia	1,891	5,582	\$222.5	\$457.0	\$562.4	\$1,419.6
Washington	1,050	3,251	\$85.1	\$303.0	\$654.3	\$1,445.6
West Virginia	258	387	\$35.4	\$12.3	\$18.3	\$43.2
Wisconsin	836	1,912	\$67.7	\$110.0	\$137.6	\$365.6
Wyoming	17	31	\$1.0	\$1.5	\$2.3	\$5.3
Total	48,086	164,470	\$3,661.9	\$12,513	\$16,991	\$43,931

Dollar amounts in \$USD millions, differences between individual rows and total due to rounding or estimation differences.

Source: Information provided by Volkswagen and IMPLAN economic modeling. Note this includes totals for Electrify America and dealerships.



Deloitte.

