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The State of Towing

2026 Annual Report

Uncovering the trends, challenges and opportunities, as shared by towing and recovery professionals.



Image courtesy of Elite Service Recovery & Towing | Lake Charles, LA

A Letter from Our CEO



Rudy Nieto
CEO, Autura

Readers,

You're looking at the third State of Towing Annual Report. It's the first time I've had the chance to introduce it as Autura's CEO.

I'll begin by thanking the towing and recovery professionals who told us what their year really looked like. Your feedback shaped this report.

Some of it's findings won't surprise anyone who runs a tow company. Insurance is still climbing. Fuel, parts, trucks, and labor all cost more than in 2025. Good drivers are still hard to find and harder to keep.

What stood out to me is how varied 2026 looks for differently sized businesses.

- Mid-size operators who answered our survey are more likely than smaller ones to be busier than last year, more likely to be using GPS, accounting software and AI, and far more likely to be fielding offers to buy their company.
- Smaller operators are working just as hard and feeling more squeeze, with fewer tools to absorb it.

That gap runs through every chapter of this report.

Inside, you'll find what your peers are doing about insurance, pricing, staffing, impound yards, new laws, and technology, shared in their own words and real numbers. Use what you learn to inspire business ideas, make the case for a change you've been considering, or just confirm you're not the only one dealing with challenges.

At a micro-level, Autura builds software for the entire towing lifecycle, from dispatch to disposition. But at a macro level, our mission is to drive integrity, compliance, and efficiency in towing and recovery, so communities keep moving, lives are saved, and people get home.

I hope this report serves as a helpful reflection of what we learn from the professionals we spend time with at their shops and at towing shows in our quest to accomplish this mission and better serve the people of one of the mightiest, hardest working, and most essential industries.

Thank you for what you do on the roadside every day.

Let's Roll,

Rudy

About this Report

This third edition of the State of Towing Annual Report is based on survey responses from 144 towing and recovery professionals across the United States and Canada, collected between July and September 2026. We continue to adjust and improve this report every year, so that we are accurately representing the issues and needs of the industry.

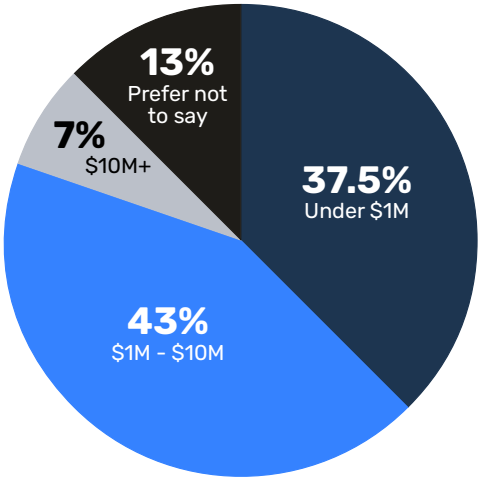
We analyzed the data and paired it with expert commentary from people who work in and run towing businesses every day.

This year's survey asked fewer "how do you feel" questions, focusing more on learning what's actually happening.

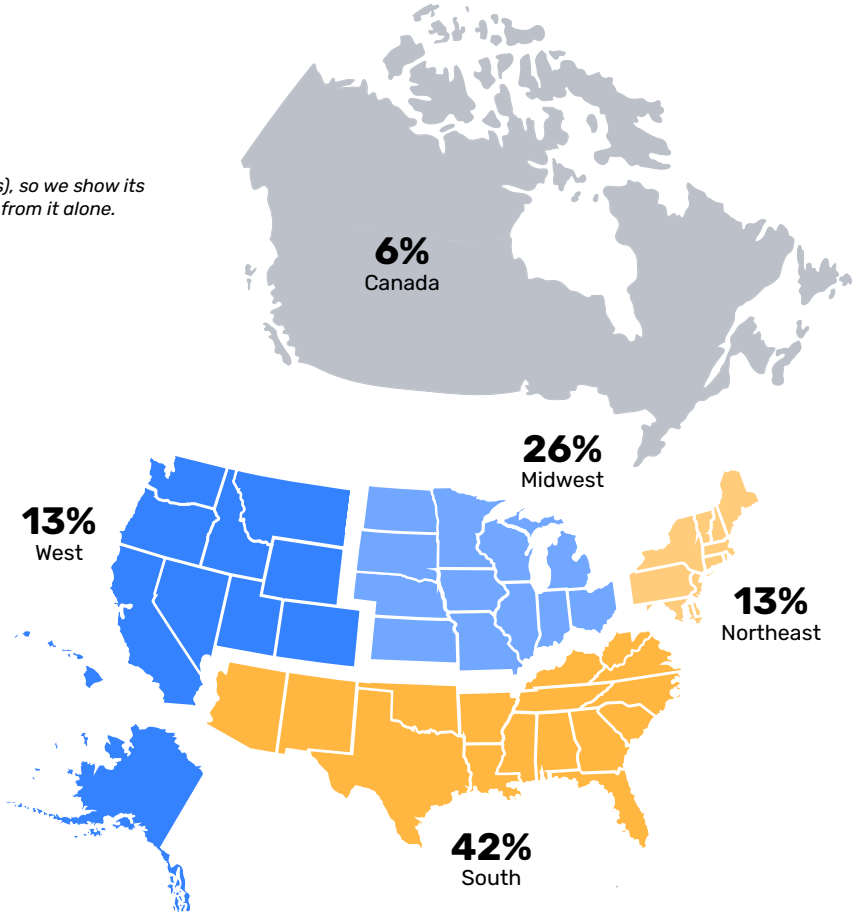
As in past editions, we grouped responses by annual revenue into three cohorts:

1. Under $1 million
2. $1 million to $10 million
3. More than $10 million

Note: The $10 million-plus group is small (10 respondents), so we show its numbers as directional and don't draw headline findings from it alone.



Under $1M (n=54) | $1M-$10M (n=62)
$10M+ (n=10, directional) | Prefer not to say (n=18)

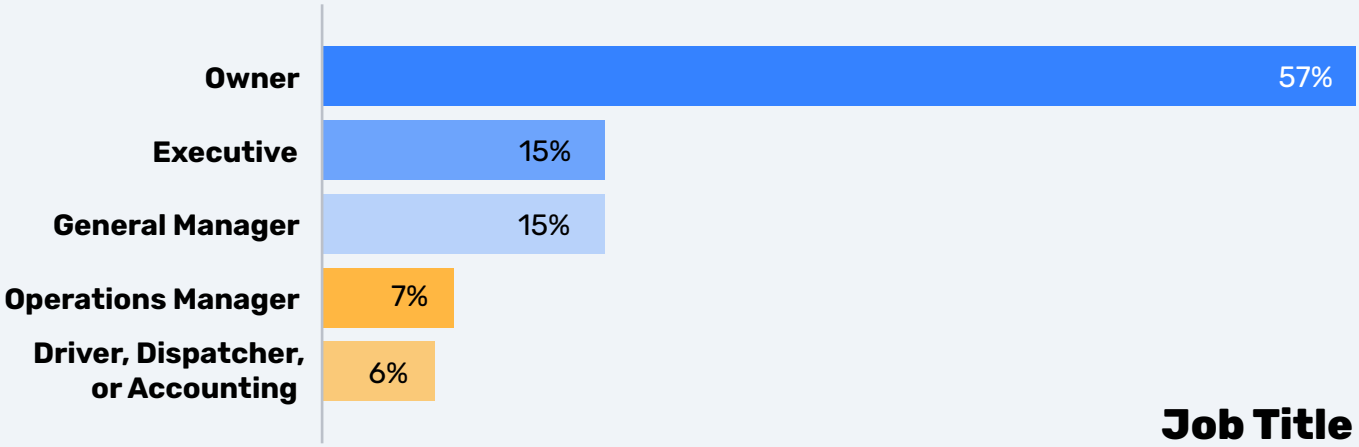


Sample Snapshot:
1. Survey Collection: July 23 - September 29, 2026
2. Number of scrubbed, complete surveys: 144
3. Responses sourced via email invitations from Autura and Tow Professional, and via survey invite links across social channels and autura.com

Additional Notes:
1. Survey results describe the people who responded, not the whole towing industry.
2. Respondents who stopped partway through are counted for the questions they answered. Each chart shows its base (n).
3. In 2025, we asked respondents to pick their top three challenges. This year they ranked them (11 in total). Changes in individual challenges between the two years, such as competition (37% in 2025, 15% in 2026), reflect the change in question format. Read these as directional, not as trends.
4. Questions about revenue and yard mix asking for percentages only count respondents whose answers add up to 90-110%. Shares are rescaled to total 100%.
5. The question on steps taken to keep staff was added on August 6, 2026. Results reflect the 62 respondents who answered it.
6. Year-over-year comparisons with the 2024 and 2025 reports compare different groups of respondents, not the same companies over time.
7. Regions use the same state groupings as the 2025 report. Percentages are rounded and may not add to 100.

Autura published the first State of Towing report in 2024 under its former name, TRAXERO.

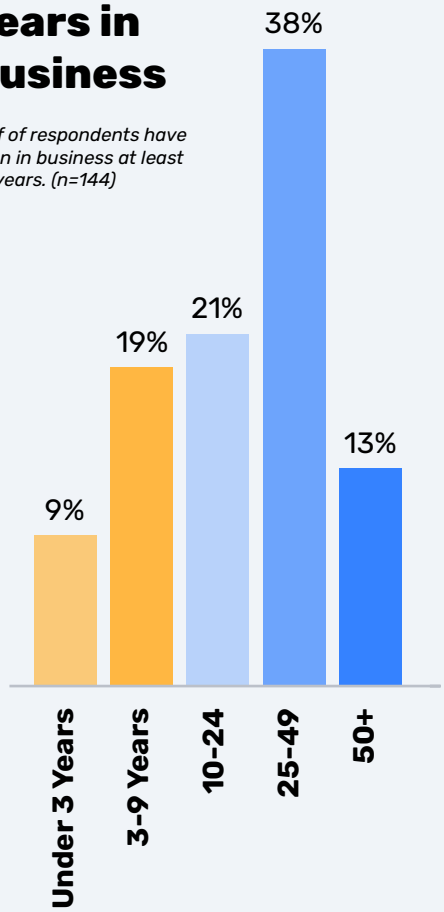
Additional Demographics and Firmographics



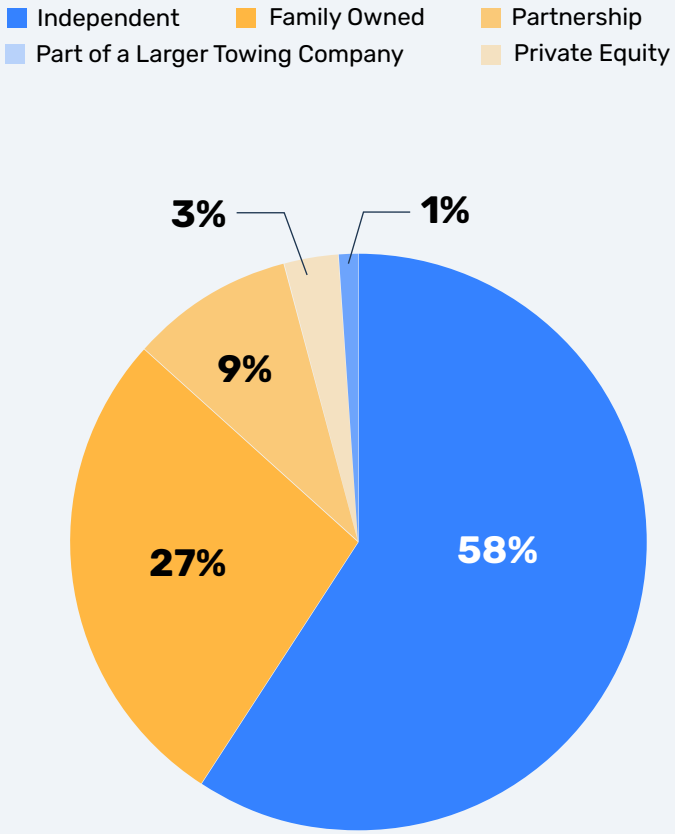
Job Title

Years in Business

Half of respondents have been in business at least 25 years. (n=144)

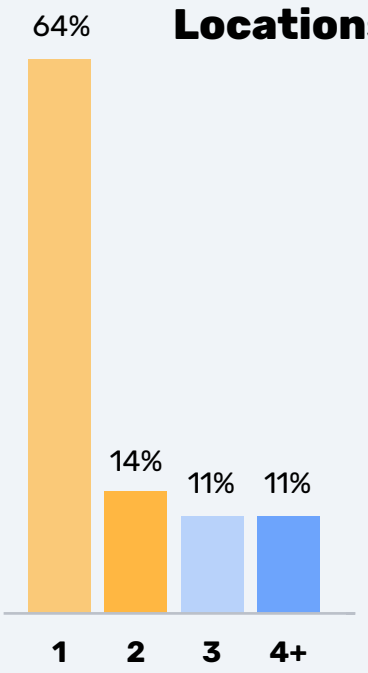


Ownership



Survey Respondents (n=144)

Locations



Service Area

Several counties in one state 32%

Several towns in one county 31%

More than one state or province 19%

One city or town 16%

Nationwide 2%

Fleet

Nearly Every Shop Runs Light-Duty Trucks. one in Three Runs a Rotator.

Share of respondents by how many of each unit type they run, sorted by share with at least one.

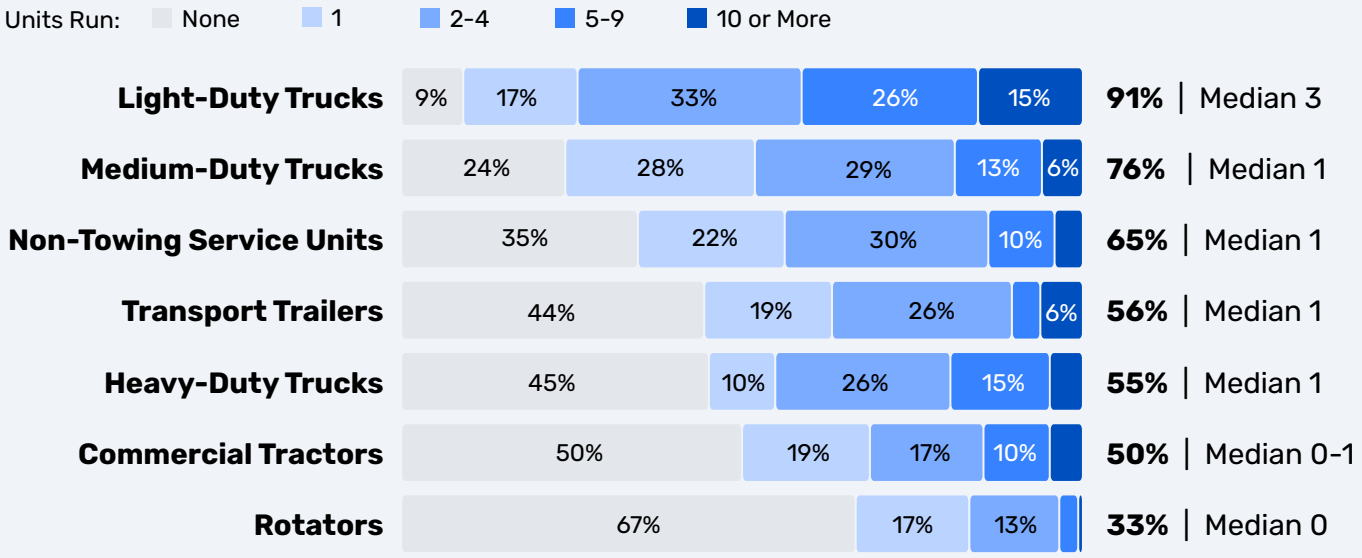


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Executive Summary

The full report is packed with data, open-ended answers and insights from towing and recovery professionals across North America. Themes that stood out include:

The Cost Squeeze Is Relentless

Rising business expenses and insurance were the two challenges respondents ranked highest, appearing in the top three for 86% and 81% of them. Insurance was ranked number one more often than any other challenge. More than three quarters of respondents saw premiums rise at their last renewal, and 14% lost a carrier. Most raised prices (usually by 10% or less), and those who did weren't the ones losing work.

Find out more in Chapter 1

One Industry, Two Speeds

Thirty-seven percent of respondents are busier than a year ago. Thirty-three percent saw business slow down. The split follows size. Respondents with $1M-$10M in revenue are more likely than smaller ones to be busier and hopeful about the year ahead. They're also far more likely to have received an offer to buy their business (84% vs 43%). Meanwhile, 4 in 10 smaller operators aren't sure what their next two years look like.

Learn more in Chapter 2

The Driver Seat Is Still the Hardest to Fill

On the list of challenges, hiring and retention made the top three for 62% of respondents, with light-duty drivers named as the hardest role to hire and keep. Among employers we asked about retention, raising base pay was the most common step (55%).

Find out more in Chapter 3

Impound Yards Are Busy, But Not Yet Profitable

Nearly 8 in 10 respondents run an impound or storage yard; half shared that for this work they only break even or lose money. Most handle lien paperwork in-house, and a third are unaware what their vehicles sell for at auction. That gap is widest among the yards that are losing money.

Learn more in Chapter 4

New Rules for Old Fee Struggles

Price and storage fee limits top the list of laws affecting respondents (61%), followed by predatory towing rules and EV towing and storage challenges. Most hear about changes from state towing associations.

Find out more in Chapter 5

AI Moves from Talk to Testing

Towing management software use rose to 85% of respondents, up from 80% in 2025. The bigger shift is AI. One in three respondents is using or testing use of AI, mostly for writing invoices, lien letters, and listings. Last year, about one in ten mentioned exploring it.

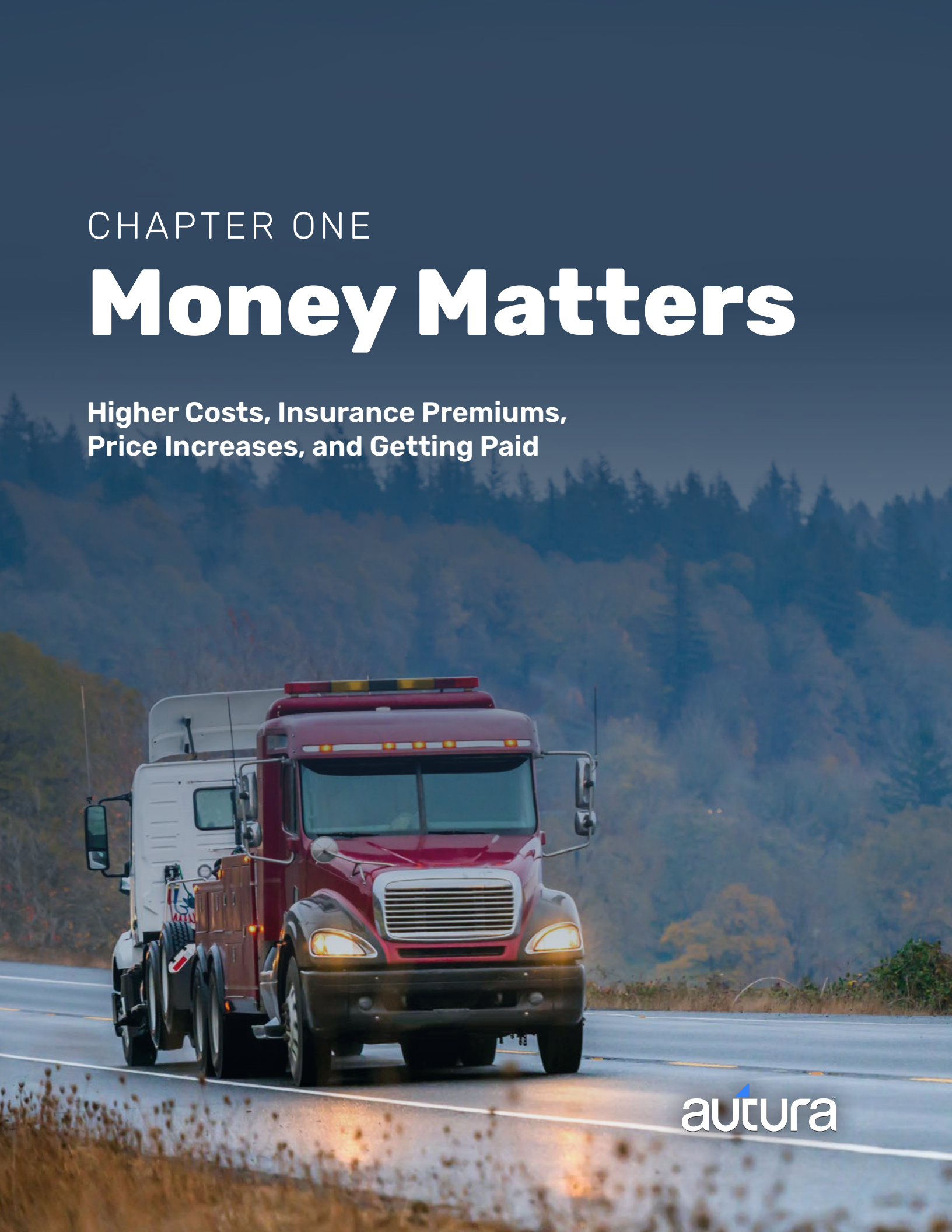
Learn more in Chapter 6



CHAPTER ONE

Money Matters

Higher Costs, Insurance Premiums, Price Increases, and Getting Paid



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86%
of respondents rank rising business expenses among their top three challenges

81%
rank insurance costs or finding coverage in their top three

77%
saw insurance premiums rise at renewal time

65%
raised prices in the past 12 months

In 2026, the steeper costs that last year's survey respondents foresaw arrived.

Rising expenses and insurance are the two challenges respondents ranked highest this year. Still, most of the price increases that towing business owners made to cover higher costs were modest.

> **"Revenue is up 20%, but expenses are up 40%."** - *Annonymous Respondent*

1.1 Top Common Challenges, Ranked

For this year's report, we asked respondents to rank 11 challenges, from greatest to least concern. Rising business expenses (fuel, parts, equipment, supplies, and staff) and insurance were the two that rose to the top, according to nearly everyone.

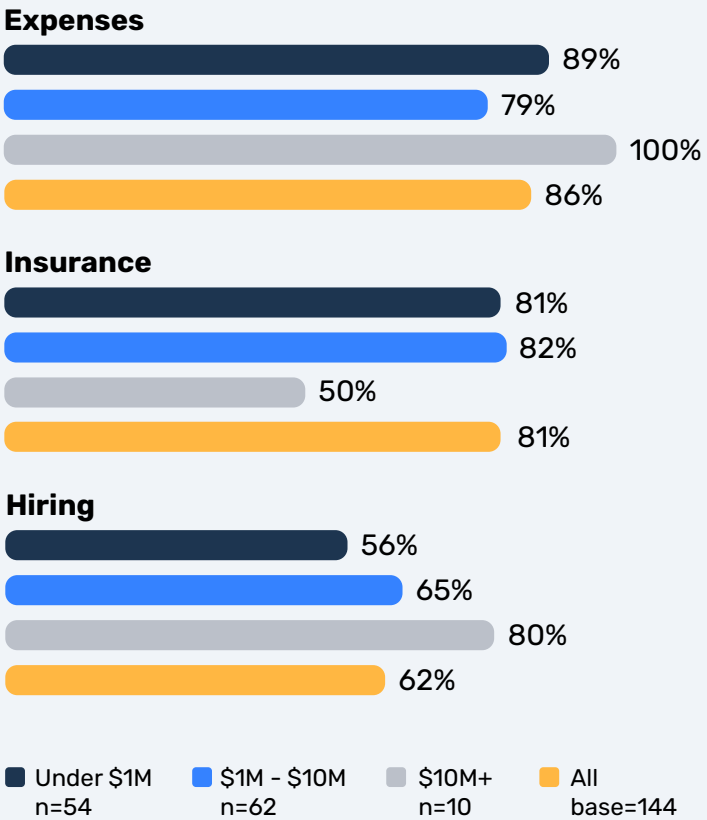
Rising expenses made the top three for 86% of respondents, and insurance for 81%. Though the insurance number is lower, it remains the challenge ranked number one most often, by 42% of respondents, ahead of rising expenses at 31%.

Another popular top-three challenge? Hiring and retention, which earned a vote from 62% of those we surveyed.

While the precise numbers and ranking order differ from years past, one thing is clear: rising costs, insurance, and talent consistently challenge the professionals in the towing industry.

Payment delays (17%), competition (15%) and tariffs (14%) trail well behind.

Top Three Challenges



2025 asked respondents to pick three challenges; 2026 asked them to rank 11, so rankings aren't directly comparable year to year.

1.2 Insurance Costs and Headaches

Since year one of these reports in 2024, respondents have named insurance a top challenge. This year's survey asked what actually happened at renewal.

More than three quarters of respondents (77%) saw premiums go up. For 28%, the increase was 10% or less. For 32% it was 11%-25%, while 17% experienced increases of more than 25%. Only 7% saw premiums decrease.

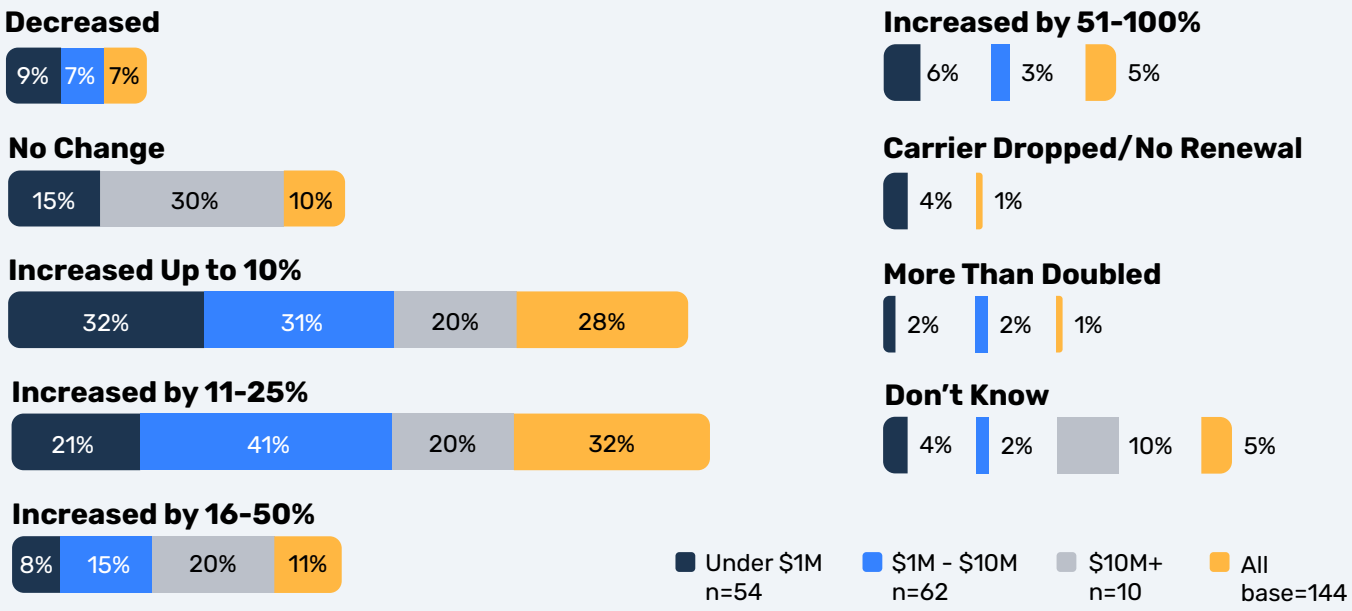
Mid-size businesses told us they felt insurance expenses change most. Among respondents earning $1M-$10M, 41% saw increases of 11%-25%. None reported a flat renewal.

And premiums aren't the only change. At renewal:

- 27% had deductibles raised
- 14% lost a carrier because of non-renewal or a carrier leaving the towing market (20% of $1M-$10M respondents)
- 10% had coverage limits cut
- 10% struggled to cover heavy-duty trucks or rotators
- 7% lost a contract because of insurance requirements

Only 3% have joined a captive or risk-sharing group, an option some tow operators have historically used to gain more control over coverage.

Insurance Cost Change at Last Renewal



> **"Rising cost of insurance and most municipalities asking for over 1 million in coverage."**
>
> *- Annonymous Respondent*

Contributor Insights

On what's driving tow truck insurance costs this year:

"Mostly it's not what's happening on the road, it's what's happening in the courtroom. Nuclear verdicts and attorney-driven litigation have changed how carriers price anyone with commercial trucks, and tow trucks work in the worst spots: shoulders, interstates, wrecks at 2 a.m. Add in what it costs now to repair or replace a truck, reinsurance costs going up, and for those of us on the Gulf Coast, storm exposure. Carriers aren't pricing your company. They're pricing the worst claim they think the industry can produce."

On why shops with clean records still saw big increases and what's actually moving the needle at renewal:

"A clean loss history gets you in the door. It doesn't protect you from the market. What moves underwriters is proof that you manage risk on purpose: driver MVRs pulled and acted on, written hiring standards, dual-facing cameras, telematics, documented training, and a safety program that's real, not a binder on a shelf. They want evidence you'll catch a bad driver before the claim happens. Show them the system, not just the result."

On what owners should do in the 90 days before renewal:

"Don't wait for the quote to show up. Ninety days out, sit down with your agent and go through your loss runs line by line, and close out old claims that are still showing reserves. Clean up your driver list and pull fresh MVRs. Put together a one-page safety story: cameras, training, any incidents and what you changed afterward. Make sure your unit schedule and values are accurate. Then ask your agent which carriers they're actually taking you to and why. If the first time you see a number is two weeks before it's due, you've already lost your leverage."

On Captives; what they are, who they're good for, and when to stay away:

"A captive is a group of operators who basically become their own insurance company. You put in premium, the group pays its claims, and if the group runs well, members share in that. Instead of paying for the whole industry's losses, you're paying for the people in the room.

What most people don't realize is that a good captive is more than insurance. It's a group of owners who want each other to get better. I sit on our captive's member-review committee, so we vet every company that wants in and hold each other to real standards, like moving every member to forward- and inward-facing cameras. Now we're building our own training programs. The one we're working on right now is about developing our next generation of managers, and we'll be presenting it to our members and their managers at the Baltimore tow show. It isn't one company's idea of leadership. It comes from many owners and experts who've built successful operations. Better managers mean better decisions on the road and in the office, and that's what keeps claims down and companies strong.

A captive is a great fit for owners who take safety seriously, have the capital to ride out a bad year, and want to be held accountable by their peers. If you're just looking for the cheapest premium this year, or you don't want anyone looking at your operation, stay away. A captive is a long-term commitment, not a coupon."

On common mistakes towing professionals make when it comes to insurance coverage:

"Buying a policy without reading it. Guys shop on price, then find out after a loss that on-hook limits don't match what they're hauling, a driver wasn't listed, a garagekeepers or cargo exclusion applied, or their limits don't meet what their customers' contracts require. More and more commercial accounts are requiring limits most towers don't carry. Know what your contracts demand, know what your policy actually covers, and have an agent who understands towing, not just trucking."

On what happens next if carriers keep leaving the market:

"Owners who can't show they run a tight operation will either get priced out or end up in the surplus-lines market, paying more for less coverage. That pushes consolidation, and some small operators will sell or close. The upside is that it forces the industry to grow up: more captives, more risk-sharing groups, better safety standards, better data, and operators training their own people instead of waiting on somebody else to do it. The companies that treat safety and documentation as part of the business, not an expense, will be the ones still standing and still getting the good accounts."



Adrien Benoit

VP and Co-Owner
Elite Service Recovery & Towing LLC

1.3 Raising Prices, Carefully

If you read last year's report, you know that 72% of last year's respondents reported having upped their prices (or planned to increase them) in 2025 compared to the previous year.

Since last year's report, 65% of respondents to this year's survey say they have raised prices in the past 12 months, and another 16% raised some prices while holding others. But the increases were mostly modest. Seven in ten of those who raised prices kept it to 10% or less:

- 15% raised prices by less than 5%
- 31% raised prices 5-10%
- 15% raised prices 11-20%
- 4% raised prices by more than 20%

The rest held steady or went the other way: 15% made no changes and 3% lowered prices.

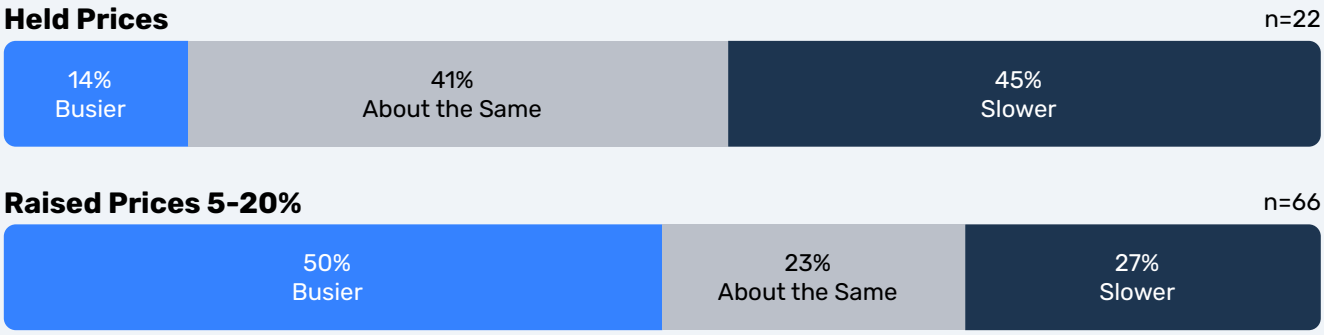
There was concern in 2025 that continuing to increase prices to keep up with inflating business costs would chase customers to competitors. In actuality, this year's report data tells us that raising prices does not appear to have cost these businesses their volume.

Respondents who raised prices 5%-20% were actually more likely to be busier than a year ago (50%) rather than slower (27%).

Interestingly, those who held prices steady experienced the reverse: 14% busier and 45% slower.

> **Survey data is just that: data.** It doesn't tell us which came first. Busier shops may simply have had more room to raise prices. Either way, the shops that raised prices aren't the ones reporting lost work.

Business Volume by Price Change



We asked some open-ended questions regarding pricing, too. The answers we received indicate why some held back.

Respondents described rate ceilings set by motor clubs, municipalities, and fee laws *(more on that in Chapter 5)*, and competitors willing to undercut on price.

> **"Rates across the board from motor clubs and other towing facilities."**
>
> *- Annonymous Respondent*

1.4 Getting Paid for Work

Payment delays sit well down the challenge rankings, making the top three for only 17% of respondents.

Still, the open-ended answers our survey respondents shared told a different story, especially when it came to reimbursement for heavy recoveries.

Respondents described working large accidents with no confidence they'd be paid, because the responsible party had no insurance or very low limits. Others pointed to challenges with insurers slow to pay, and third-party dispatchers marking up towing provider rates.

One respondent openly shared frustration with:

> **"...working with large truck accidents, but not knowing if we will ever get paid, either because of no insurance or very low insurance caps."**
>
> *- Annonymous Respondent*

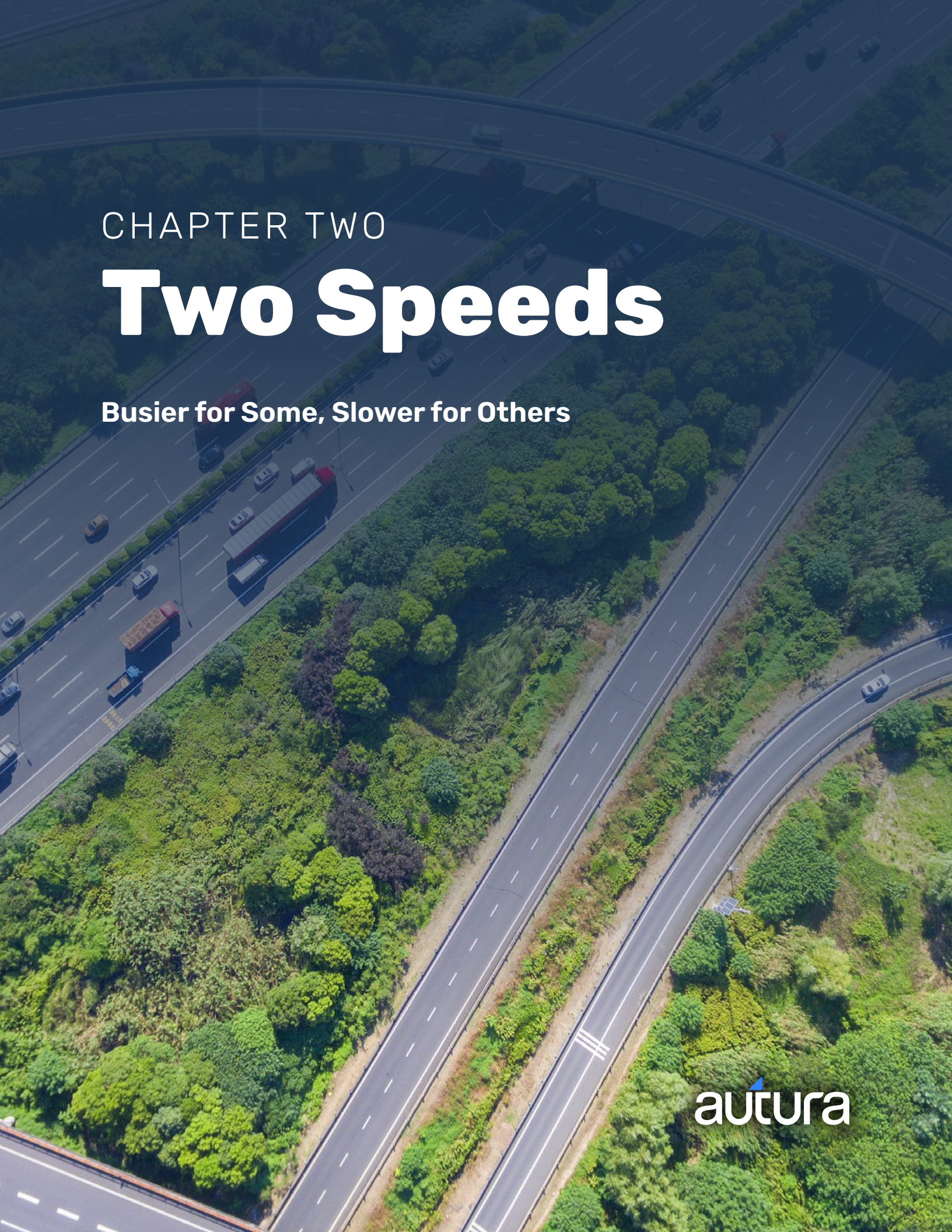
What This Means for You

Start your insurance renewal early: 77% of respondents paid more at their last renewal, and 27% saw their deductible go up. About 90 days out:

1. Ask your broker what a higher deductible would save.
2. Get a second quote from a broker who writes towing.
3. Check minimums in your city and motor club contracts before you lower a limit, since 7% of respondents lost a contract over insurance requirements.

Raising rates did not cost most shops their calls: of those that raised prices 5-20%, half are busier than a year ago, and 27% are slower. Of the shops that held prices, 14% are busier and 45% are slower.

It's worth acknowledging that busier shops have an easier time raising rates, so our survey data doesn't prove one caused the other. But if you don't already, compare your rates to your costs at least once a year to help you appropriately set them.



CHAPTER TWO

Two Speeds

Busier for Some, Slower for Others

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Overall, this year's report contributors shared that business looks steadier than it did a year ago. But the average doesn't tell the whole story. It hides the fact that smaller-sized operations had a different year compared to mid-sized and larger businesses.

2.1 Demand is Steadier, and Split

In last year's report, 43% of respondents said they were less busy than the prior year.

This year, 37% say they're busier, 33% say business is slower, and 30% say demand is about the same.

> These are different respondents from last year's, so **treat the comparison as a snapshot, not a trend.**

The split follows operation size:

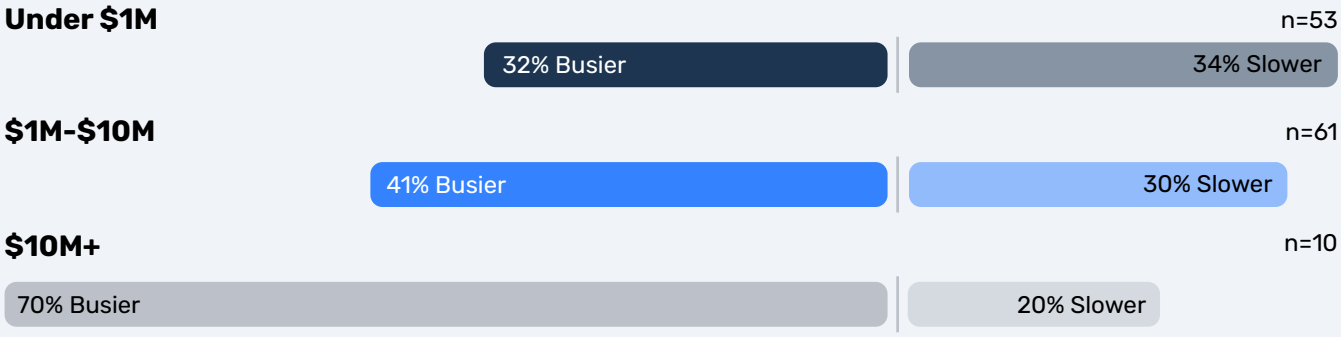
- Among respondents under $1M, 32% are busier and 34% are slower
- Among $1M-$10M respondents, 41% are busier and 30% are slower
- In the small $10M+ group (n=10, directional), 7 of 10 are busier

37%
of respondents are busier than a year ago; for 33%, business is slower

61%
received at least one unsolicited offer to buy their business

84%
of $1M-$10M respondents received an offer, against 43% under $1M

Compared to a Year Ago, Business Has Been:



2.2 The Revenue Source Breakdown

On average, respondents earn their revenue from:

- **Cash calls:** 23%
- **Motor club and roadside work:** 21%
- **Police and city rotation:** 19%
- **Commercial and fleet accounts:** 17%
- **Private property impound:** 6%
- **Transport and hauling:** 5%
- **Heavy-duty recovery:** 4%
- **Auction and scrap sales:** 3%
- **Other work:** 1%

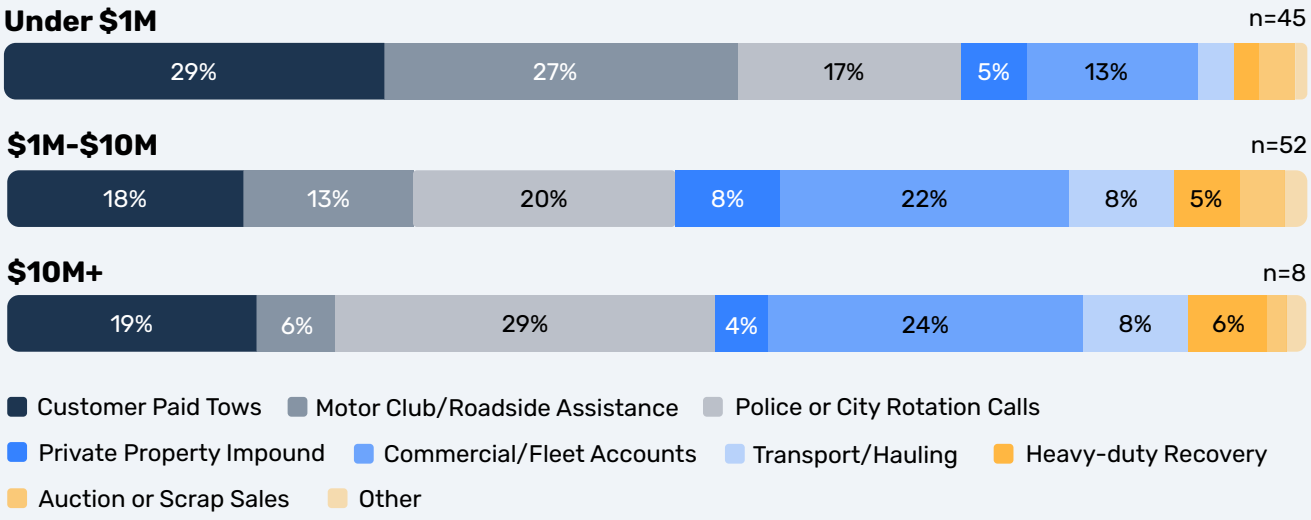
Taking a closer look, survey data shows us that an operations size plays a major determining factor in the revenue source mix:

- Respondents under $1M lean on cash calls (29%) and motor clubs (27%)
- Mid-size respondents earn more from commercial accounts (22%) and rotation work (20%), while motor club work drops to 13%

By customer, commercial and motor club accounts combined are the largest source of revenue at 36%, ahead of individual motorists (29%), government and law enforcement (18%) and insurance companies (12%).

> In 2024, commercial accounts were the top growth priority for every cohort. **Two years later, they are respondents' biggest revenue source.**

Revenue Mix By Type of Work



Includes only respondents whose percentages add up to 90-110%, rescaled to 100%.

> **"A lot of motor club companies are dropping their contracts, and we are getting a lot of calls to service their customers at our current cash rate."**
>
> *- Annonymous Respondent*

2.3 Competing In a Crowded Market

In last year's report, 37% of respondents shared that competition was a major concern. Interestingly, when we asked how respondents are handling more competition this year, the most common answer was "not doing anything different" (37%).

But while some are maintaining current practices, others mentioned they are:

- Actively pursuing new customer types, such as commercial and city work (28%)
- Spending more on marketing (12%)
- Adding services (7%)

In response to survey questions about staying competitive, though, only 4% said they're investing in new technology to compete.

> **"Competition in the area is severely undercutting costs to gain customers."**
>
> *- Annonymous Respondent*

2.4 The Offers Are Coming In

Consolidation was a theme in last year's report *(see The State of Towing 2025 Annual Report, Chapter 2).*

This year we asked how often potential buyers came calling. Six in ten respondents (61%) shared with us that they have received at least one unsolicited offer to buy their business in the past year. Eleven percent said they received 10 or more offers.

What are Buyers Looking For?

Based on what survey respondents shared with us, buyers appear to be most interested in established, mid-size companies. Of respondents in the $1M-$10M range, 84% received at least one offer, against 43% of those under $1M.

With all the offers on the table, how many operations are actually selling? Survey results revealed that most owners are opting not to sell. At least not yet.

Over the next two years:

- 40% plan to maintain operations
- 12% plan to open new locations
- 11% plan to buy another towing business
- 7% plan to sell all or part of their business

That still leaves about 30% squarely in the "not sure yet" category. And that number rises to 41% among respondents under $1M.

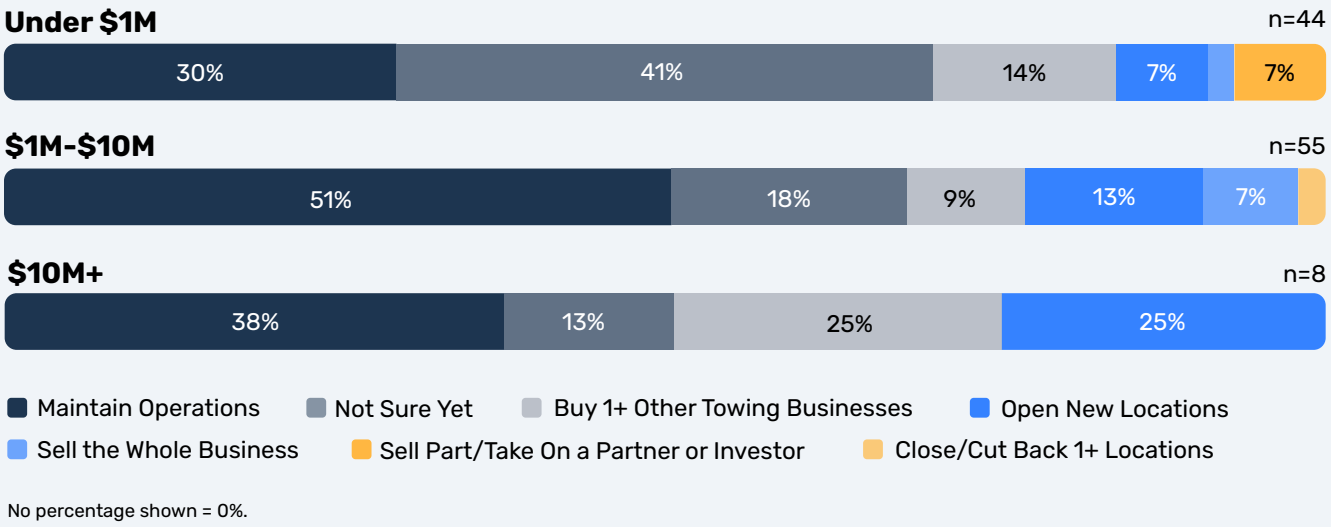
Two other factors that respondents named in conjunction with challenging considerations about consolidation? Business succession and their own age.

More on M&A and Consolidation:

The topic of Mergers and Acquisitions and consolidation in the industry is a hot one, perhaps even more so than last year.

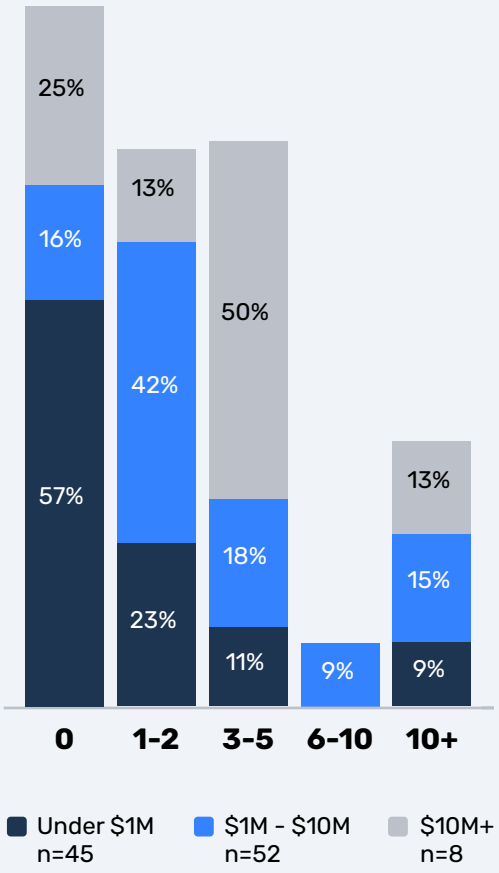
Find more about why this is prevalent, what the process looks like, and what private equity (PE) and investors are looking for in purchasable towing and recovery businesses in *The Tow Trend Podcast Episode #8* and in Autura's CEO Insights article: *A Q&A About M&A in the Towing Industry.*

Business Plans, Next Two Years



No percentage shown = 0%.

Unsolicited Purchase Offers In the Past Year



> **"Capitalizing on market fragmentation."**
>
> *- Annonymous Respondent*

What This Means for You

Know what your business is worth before a buyer calls: 61% of respondents got at least one unsolicited offer last year, and among $1M - $10M businesses it was 84%.

Work with your accountant or a business broker to put a value on your business now, before you need one.

Look at how much of your revenue comes from one contract: Shops under $1M get 27% of their revenue from motor club work on average, and one respondent to our survey said clubs in their area are dropping contracts. If losing one account would hurt, start building commercial or fleet work now.

For more on this topic, read *How Smart Towing Business Owners Diversify Revenue* at *autura.com/insights*.

Contributor Insights

"More and more owners are getting unsolicited outreach from buyers, and it's only picking up. When that call comes, the first thing to do is sign a Non-Disclosure Agreement (NDA). Then get an accountant and an attorney who specialize in Mergers & Acquisitions (M&A). You may already have good ones, but you don't want your advisors learning the process while they're helping you sell your business. You want people for whom this isn't their first rodeo.

If you put your buyer hat on, the most valuable business is one you can pick up out of the box, plug in, and it just works. A lot of people in towing take pride in the fact that their business can't run without them, but that's the exact opposite of what a buyer wants to hear. Buyers want to see competent people in the right seats who can keep things running after you step away. Beyond that, they'll look for equipment in good order and a customer base that isn't too concentrated. Ideally, no single customer is more than 10 to 15 percent of your business. Every hiccup you add makes the business harder to buy.

Most owners sell because they're ready to retire or spend more time with family. But sometimes it's about taking some chips off the table after a lifetime of carrying all the risk, while keeping meaningful skin in the game for the next leg of growth.

The best advice I can give is to run your business like you're going to sell it tomorrow. When you do, there's less gray area for a buyer to dig through, which makes them more willing to pay up and get the deal done. And a good transition goes quicker for everyone. Selling a business isn't like selling a car where you toss over the keys and walk away. The buyer needs to feel confident you're handing it off in the best shape possible.

Selling is both art and science. The science is the math, taxes, and what you walk away with. The art is whether you and your family are truly ready, because once you sell, you can't put the genie back in the bottle. I've seen plenty of deals fall apart because someone threw out a number and the owner hadn't thought through what life looks like after close. It can be anticlimactic. You work for years, run the hard sprint to sell, sign the papers, get a wire, and go to dinner. The next morning, the only thing that's changed is your bank balance.

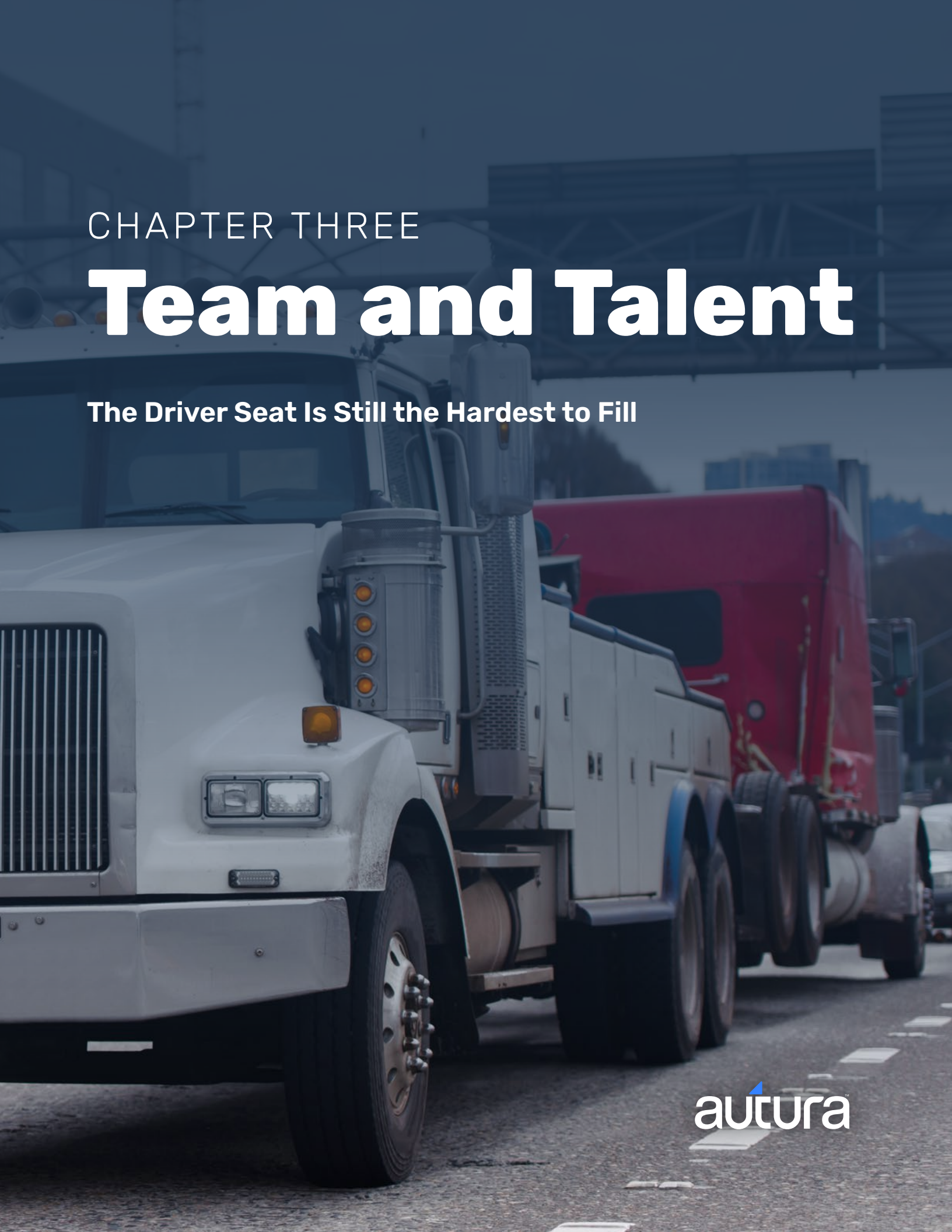
For owners who don't want to sell and stay independent, make your balance sheet a fortress so you can weather any storm and pounce when the right opportunity comes. Remember that private equity buys with the intent to sell, and the strategy in your market can change completely in a few years. Compete on service, relationships, and trust. If a customer doesn't trust you, price doesn't matter. Earn that trust, don't expect it. Be the lighthouse in the storm and keep doing what got you here.

Finally, when a company changes hands, take care of your people first. Most towing companies have somewhere between 2 and 50 employees who work side by side with the owner every day, and many of them are deeply loyal to the family. Customers are usually fine as long as service stays the same, but your employees drive the business. If they're not happy, your customers won't get good service, and without good service, you won't have a business."



Jim Cardwell

CFO / COO, Doug Yates Towing



CHAPTER THREE

Team and Talent

The Driver Seat Is Still the Hardest to Fill

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Since the inaugural edition of The State of Towing Annual Report in 2024, respondents have named staffing as one of their main challenges, regardless of operation size. This year was no different.

And consistent with years past, the hardest position to fill is one of the most critical: the driver's seat.

3.1 The Hardest to Hire

Light-duty drivers are the most difficult role to fill and keep, said 43% of this year's survey respondents. Other challenging positions to find and hold on to good help for?

- 22% said heavy-duty drivers
- 8% said mechanics
- 7% said dispatchers (7%)

But these answers changed with the size of fleet. Half of respondents under $1M (52%) struggle most with hiring light-duty drivers.

Among $1M-$10M respondents, the split is closer: 36% name light-duty drivers and 33% name heavy-duty drivers.

In the open-ended answers, respondents got specific about the problem, sharing that they commonly wade through candidates who can't pass a drug test, drivers without clean records, and many unwilling to work night shifts.

62%
of respondents rank hiring and retention among their top three challenges

43%
say light-duty drivers are the hardest role to hire and keep

55%
of employers asked have raised base pay to keep staff

3.2 What Employers Are Doing About Talent Struggle

> In this year's report survey, we added a question on retention partway through collecting responses. This section reflects the 62 respondents who answered this additional question.

To help us understand tactics towing business owners are trying to overcome hiring and retention strategies, we ask how respondents are handling their talent struggles.

The most common strategy that surfaced was the simplest. More than half of everyone who answered (55%) said they raised base pay. Mid-size employers are doing this the most (73%).

Others reported:

- Changing shift schedules (23%)
- Investing in training (21%)
- Adding or increasing bonuses (19%)
- Improving health insurance (15%)
- Assigning trucks to drivers (11%)
- Offering a retirement plan or 401(k) match (10%)

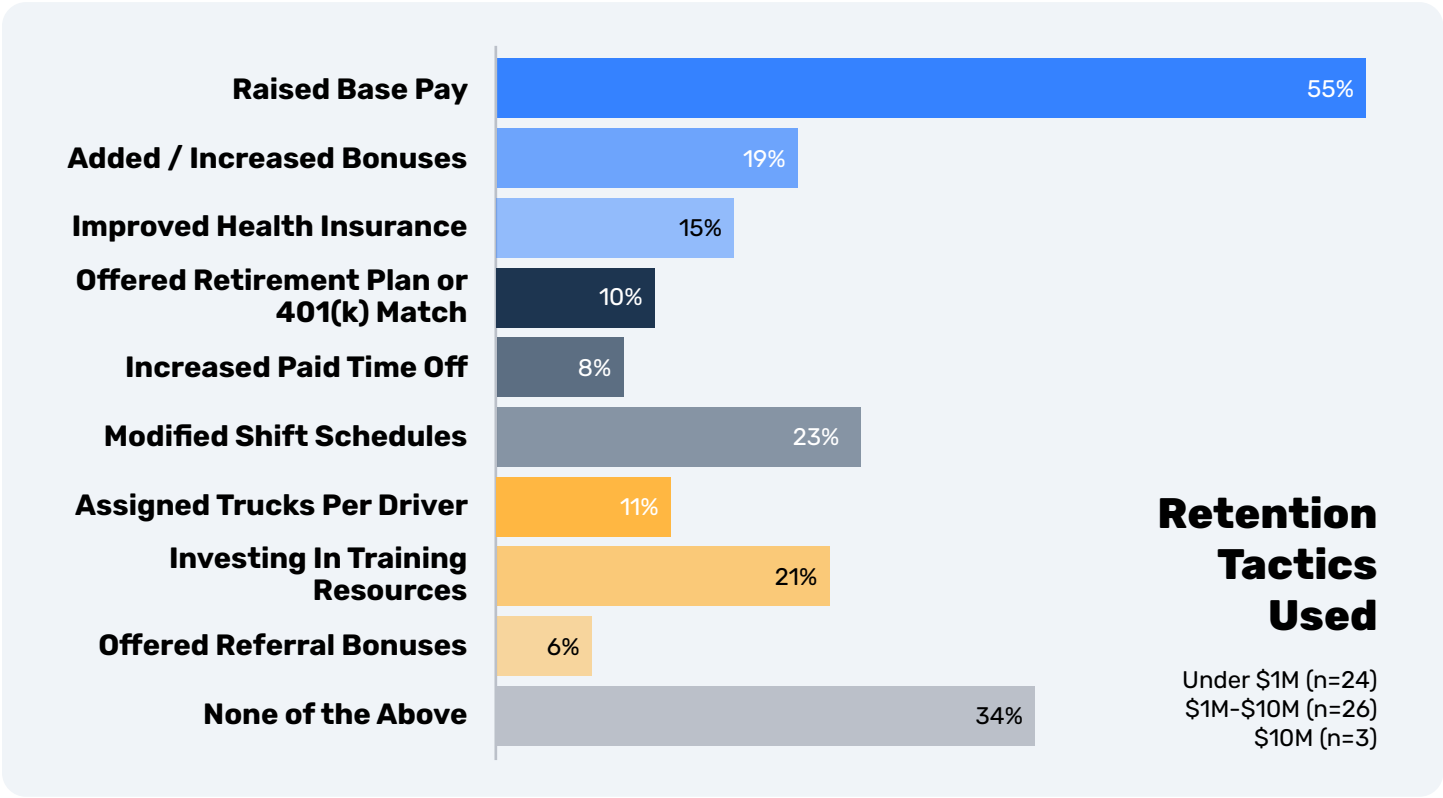
On the other side of things, just over one third of respondents (34%) reported they haven't taken any of these steps.

While hiring has been a top challenge every year, is it trending worse or better? Looking back, 41% of our 2024 survey respondents named it a top challenge. In 2025, that number dropped to 36%. This year, though, 62% ranked hiring and retention as a top-three challenge.

While the question format, language, and respondent pool differs slightly each year making the numbers not directly comparable, one thing hasn't changed: Staffing as a challenge remains squarely at the top of everyone's list.

When asked about hiring challenges, one contributor anonymously shared:

> **"Retaining drivers who drive safely without any violations on their abstracts or criminal histories."**



What This Means for You

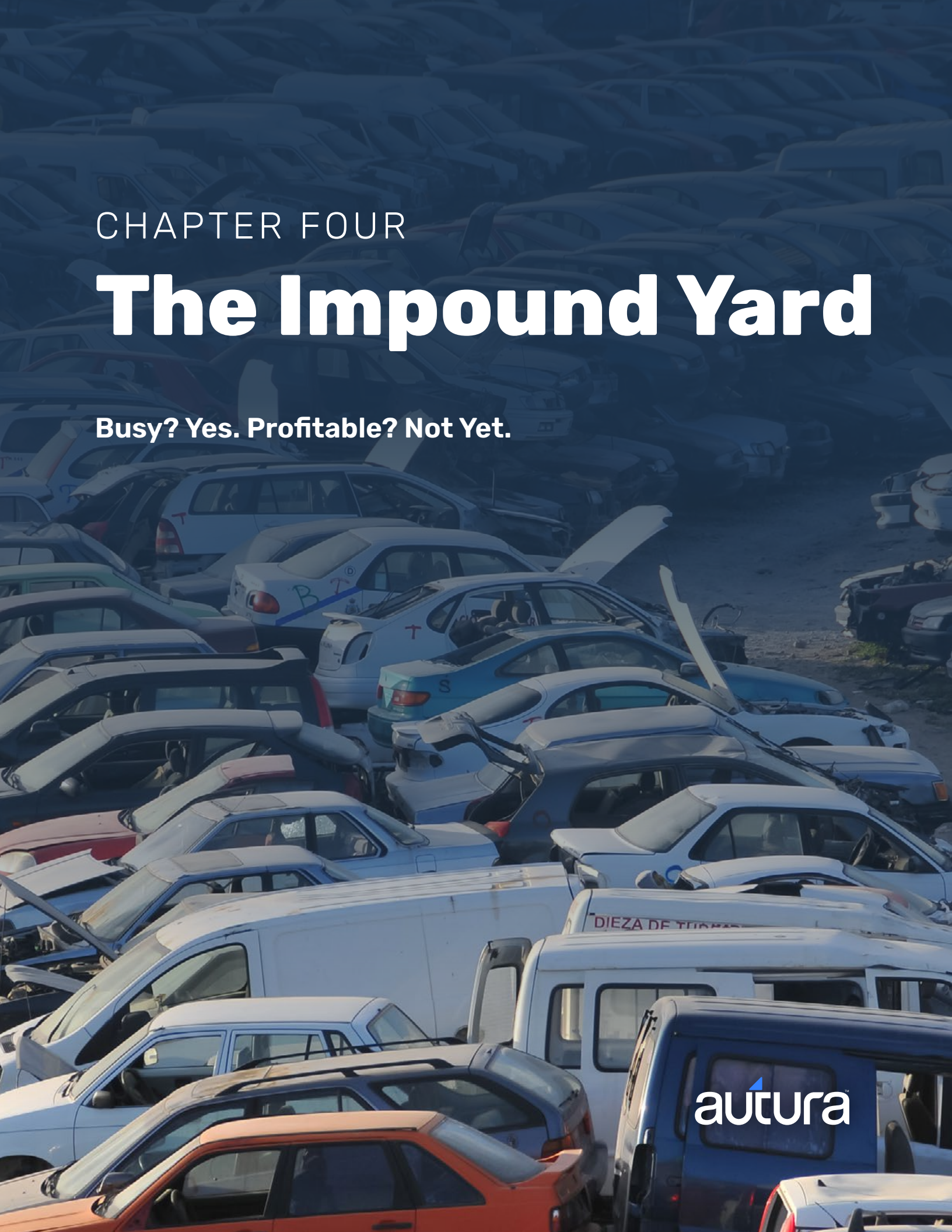
Check what shops near you pay drivers before your next hire: Of the businesses that answered the retention question, 55% raised base pay. Among shops under $1M, 46% hadn't tried any of the options we listed.

Ask your drivers about schedules: Among $1M-$10M businesses, 31% changed shift schedules and 31% put money into training. If nights or weekends are hard to cover, ask your current drivers what schedule would keep them before you post the job.

CHAPTER FOUR

The Impound Yard

Busy? Yes. Profitable? Not Yet.



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Last year's report revealed towing businesses we surveyed shared a common belief that impound yards were or had the potential to be a good source of revenue, but only if they had more time and effort to improve things like intake documentation, vehicle tracking, record systems, staffing, and technology to support impound management.

This year, most survey respondents shared they are currently running an impound or storage yard, and many still see it as a way to grow. But consistent with last year's findings, our 2026 survey data results show just how much work it takes to make these yards pay.

79%
of respondents run an impound or storage yard

51%
of yard operators say impound work loses money or only breaks even

57%
of yard operators handle lien paperwork in-house

32%
of yard operators don't know their average auction sale price

4.1 Who Runs Impoud Yards?

Last year's survey results showed many businesses were readying themselves for an influx of unclaimed impound inventory caused by the increasing age of vehicles, and more vehicles being abandoned by lien holders and insurers. How? By starting or expanding their impound lot operations.

Ninety-three percent of 2025 survey respondents shared they were now operating an impound yard, up from 86% in 2024. What do the numbers look like now?

Seventy-nine percent of 2026 survey contributors report that they run at least one impound or storage yard, and 31% run more than one. In terms of impound lot or yard size, volumes vary widely:

- 32% take in fewer than 25 vehicles a month
- 45% reported 25-100
- 6% reported 101-250
- 16% reported more than 250

> It's worth noting that the percentage rise and fall doesn't directly indicate a decline, as number of survey respondents and question wording variations impact how the data looks.

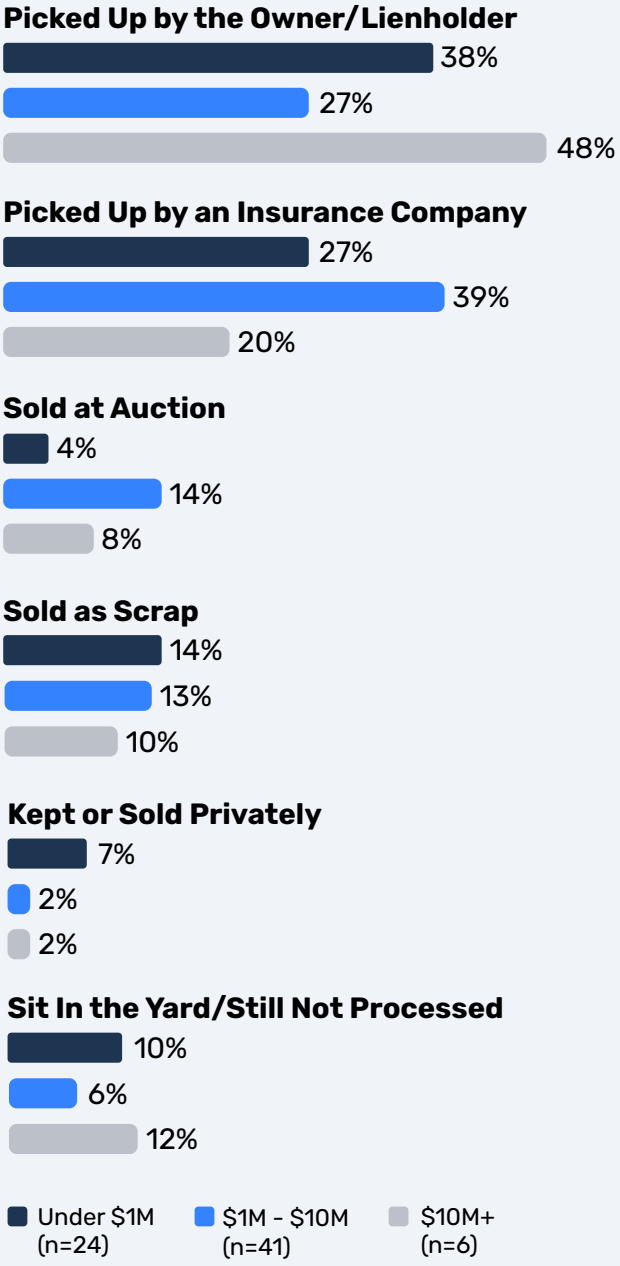
4.2 Where the Road Ends for Impounded Vehicles

What's happening to the vehicles that land on towing and recovery business impound lots? From what respondents shared this year, on average:

- 34% get picked up by insurers
- 32% by owners or lienholders
- 13% are sold for scrap
- 10% are sold at auction
- 8% remain sitting in the yard, not yet processed

Smaller yards see more vehicles picked up by owners (38%). Mid-size yards see more go to insurers (39%) and more sold at auction (14%).

Where Impounded Vehicles End Up



Includes only respondents whose percentages add up to 90-110%, rescaled to 100%.

4.3 The Profit Problem

In this year's survey, we asked how well impound and unclaimed vehicle work pays off. Half of yard operators (51%) said it loses money or breaks even. Another 32% called it a bit profitable. Eleven percent said impound work brings a "decent profit" and only 5% called it a big part of revenue or a top moneymaker.

This is consistent with what previous editions of this report indicate:

Most respondents still say they struggle to dedicate the time and resources necessary to manage impounded vehicles in a way that offsets the effort and expense of towing and storage.

Part of the reason shows up in how the work gets done. Of the 96 yard operators who answered the 2026 survey:

- 57% handle lien paperwork in-house
- 31% use a digital lien search and notification tool
- 16% use a lien processing service

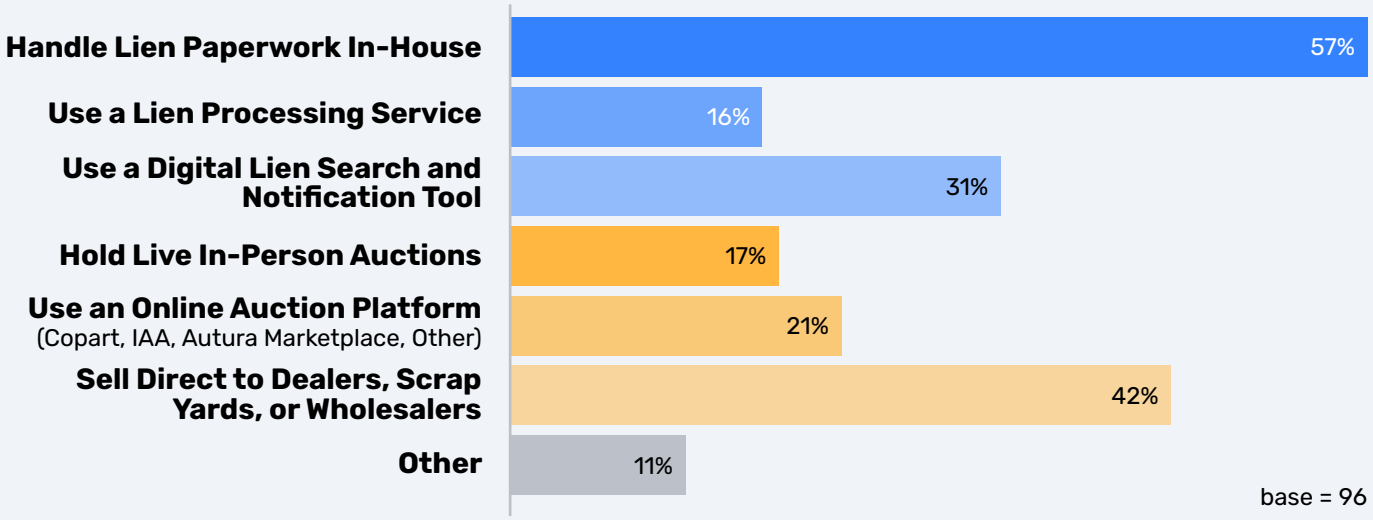
And to sell vehicles:

- 42% go direct to dealers, scrap yards or wholesalers
- 21% use an online auction platform
- 17% hold live auctions

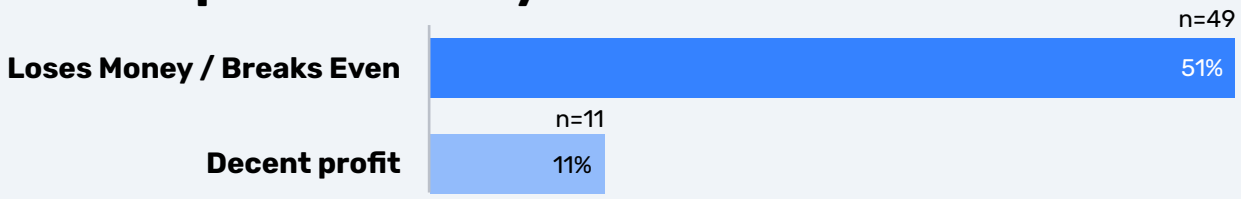
One third of yard operators (32%) don't know their average sale price at auction. Among those who do, the most common range is $250-$500.

Not knowing the average sale price number ties closely to missing out on making money. Among yards that lose money or break even, 41% don't know their average sale price. Conversely, of the yard owners who report turning a decent profit, 82% say they know their average sale price.

Lien and Auction Handling



How Well Impound Work Pays Off



What This Means for You

Track what your vehicles sell for: 41% of yards that lose money or break even don't know their average auction sell price, compared with 18% of yards making a decent profit.

Join the latter, more profitable group by spending one entire quarter documenting the sale price of every sold unit, getting it in writing from the buyer or platform.

If low-value units cost more in lien work than they bring in, find out whether your state has a shorter process to follow.

Work the oldest units first: On average, 8% of the vehicles in a yard haven't been processed, and nearly one in four yards that lose money have 20% or more of their vehicles just sitting there. Run an aging report every month and start the paperwork on the oldest ones first.

Contributor Insights

On What Speeds Up The Lien Process and Gets More from Each Vehicle

"The most important shift an operator can make is to stop treating the impound yard as an extension of the towing operation and start managing it as a business of its own. In this segment, time is money.

Every day a vehicle stays on the lot after it becomes eligible for disposition is costing you lot space that earns nothing and takes up space you need for daily operations.

Disciplined yards start the clock the moment a vehicle comes through the gate. Owner and lienholder searches cost money, so time them to what the law requires. Waiting three to five days avoids paying for searches on vehicles that get claimed early. After that, send notices on time and use software that tracks each unit's eligibility date and expected value.

The goal is simple: move vehicles to auction as quickly as the law allows. Aging inventory is capital that belongs in your bank account, not your yard.

Disposition decisions, whether auction, scrap or direct sale, should be driven by data, not instinct. Weigh each vehicle's likely auction price against its scrap value and the cost of holding it another day. When you compare auction to scrap, count the full cost of scrapping: preparing the vehicle, hauling it to the scrap yard, and the truck and staff time that could have gone to service calls or other revenue-producing work.

Once those costs are counted, a scrap check is often worth less than it looks. Operators who don't know their average auction sale price can't make that call with confidence. In our experience, online public auctions consistently reach more buyers and get the best results.

Every month, review the same core numbers: average days to disposition, inventory by age, storage billed versus collected, average recovery per unit, and lot capacity.

For anyone opening their first yard, my advice is to master your state's lien laws before you accept your first vehicle, build losses from vehicles that will never pay into your budget, and put your processes in place before the volume arrives."



David Butcher

President/CEO
Valor Fleet Companies

CHAPTER FIVE

Rules and Regulations

And Their Business Impact



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New this year, we asked which laws and rules are changing how respondents do business, and where they hear about them first.

We learned from collected survey data that, for most respondents, new laws and rules in the past two years have had little or no effect (69%) on business. But 13% said the impact was big or changed how they operate.

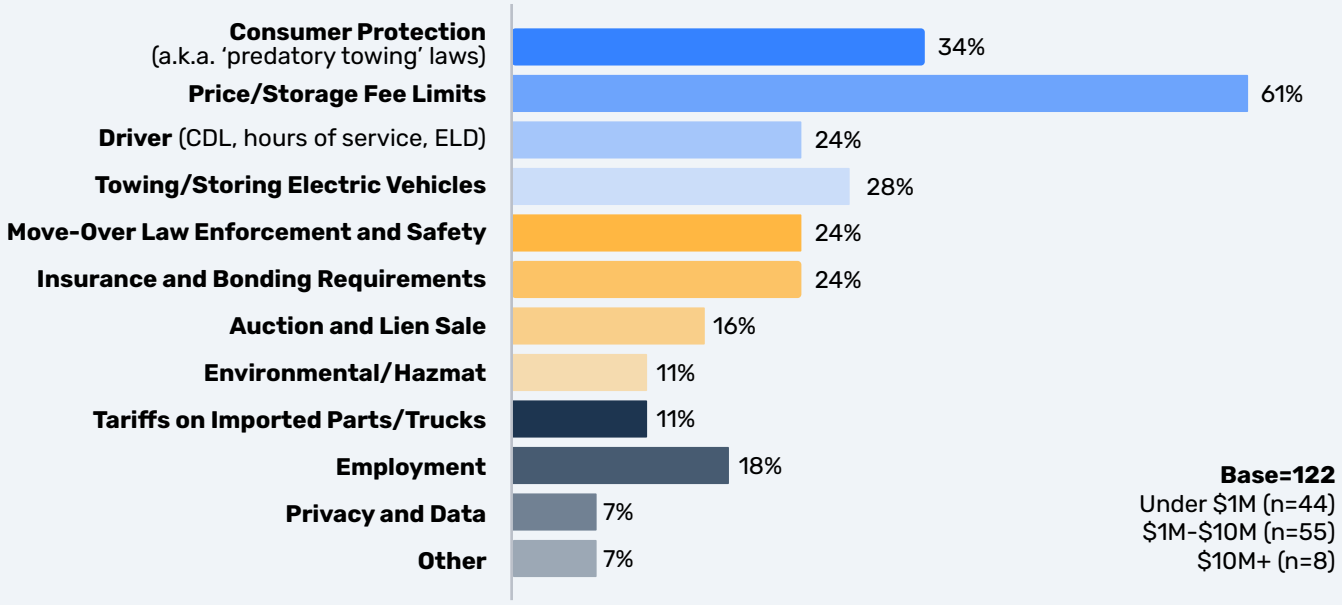
5.1 Which Rules Bite

Price and storage fee limits topped the list by a wide margin, named by 61% of all respondents, with the heaviest impact on mid-size businesses (69%).

Following that came:

- Consumer protection or "predatory towing" laws: **34%**
- Towing and storing electric vehicles: **28%**
- Driver rules (CDL, hours of service, ELD): **24%**
- Move-over enforcement: **24%**
- Insurance and bonding requirements: **24%**
- Employment rules: **18%**
- Auction and lien sale rules: **16%**

Law Areas Affecting the Business



61%
of respondents say price or storage fee limits affect their business

34%
are affected by consumer protection (predatory towing) laws

69%
learn about law changes from their state towing association

In answer to our open-ended question about big challenges this year, one respondent anonymously shared:

> **"Politicians thinking our industry isn't important enough for us to be paid fairly and reasonably."**

5.2 Law and Regulation Change News Sources

State towing associations are respondents' most common source of information about laws and rules (69%), ahead of trade magazines (52%), other towing professionals (48%) and national associations (39%).

Respondents from larger-sized operations reported using more sources, including trade shows and government contacts. Meanwhile, 14% of respondents under $1M say they don't really keep track.

What This Means for You

When your state reviews a fee cap, share your numbers with your association: 61% of respondents named price or storage fee limits as a rule that affects them, and the association needs real cost-per-tow and per-storage-day to make the case.

Join (or rejoin) your state association: 84% of $1M-$10M businesses get their law news there, compared with 48% of shops under $1M. Get involved, donate your time, support the organization financially, and be a proactive part of your association, not just a passenger.

Have a plan for damaged EVs: 28% say EV towing and storage rules already affect them. Pick a spot away from other vehicles and ask your insurer and local fire department what they expect. Train your employees on proper recovery techniques, storage, and fire prevention policies. And adhere to them.

Contributor Insights

Shaping the Rules Before They Shape Us

Is towing being regulated more like a public utility? Across the country, decisions about what we charge, how we document our work, and who oversees us are moving away from informal local arrangements toward statewide rules, formal oversight boards, and enforcement with real consequences. The towing and recovery landscape looks like an industry being professionalized but under pressure. Whether that pressure helps or hurts us depends largely on whether we help shape it.

The issue our industry should watch most closely is the spread of fee limits, especially for heavy-duty work and storage. These proposals rarely start with tow operators. They usually start with a trucking company or insurer who got a bill they considered outrageous (often fairly) and those industries are organized, well-funded, and patient. They bring invoices to hearings. Too often, we are not in the room. Close behind are proposals that change based on who sits on the boards overseeing our industry, which increasingly include the trucking, insurance, and consumer interests that pay our bills, along with stiffer penalties and new ways for vehicle owners to take towers to court. None of this is inherently bad for good operators. All of them are bad for us if we aren't in the room when they're crafted.

Fee limits are spreading because they are simple; they poll well, and every lawmaker has heard a story about a tow bill that seemed out of line. Our message to lawmakers shouldn't be "no limits." It should be "base them on real costs and adjust them every year." Rates set through honest cost studies and indexed to inflation protect consumers from gouging without slowly pushing responsible operators out of the work our communities depend on.

On "predatory towing" bills, the worst thing we can do is look like we're defending the people giving our industry a bad name. The better approach is to lead with agreement. Itemized invoices, photos before hookup, clear complaint information, multiple payment options, and prompt return of personal belongings are things most good operators already do. Supporting them costs us little, and in practice they protect us, because documentation wins disputes. Where we must draw the line is between conduct and price. Rules about how we treat customers are fair game. Rules that quietly turn into permanent price ceilings, or that define "excessive" so vaguely that any honest invoice becomes a legal risk, are not.

Electric vehicles are the newest pressure point, and the costs are real. A damaged EV can reignite hours or even days after a crash. Storing one safely means isolating it from other vehicles and buildings, watching it, and often keeping it longer while insurers and owners sort things out. It takes training and equipment many operators didn't need a few years ago. Lawmakers are slowly accepting that this work costs more, which is encouraging. The unresolved question is who pays. Insurers have resisted covering these costs, and when no one agrees to pay, the tower carries the risk by default. We should document every EV job carefully, track what it really costs, and bring that data forward so the extra cost of EV work is recognized in how rates are set.

If there is a single most useful thing a tower can do to have a say, it is to build a relationship with their own legislator before a bill is ever filed. Invite them to your yard. Show them a rotator, a secured lot, and an EV in isolation. Bring a real invoice and walk them through every line. Lawmakers act on what's in front of them, and right now the other side is often the only one showing up with paper.

For towers who aren't members yet, getting involved is simpler than many think. Join your state association; dues are small next to the cost of one bad rule. Go to your state regulators' meetings, which are generally open to the public, and comment when new rules are proposed. Share your numbers with the association, even confidentially, so it can build a cost picture lawmakers can't dismiss. And show up to advocacy days when they come around.

Above all, we should lead with what we are: first responders who clear highways, protect crash scenes, and put our own lives at risk on the shoulder every day. Safety is our strongest argument and our most honest one. The rules governing this industry are going to change either way. If we support the rules that protect the public and drive out bad actors, and push hard for fair, cost-based pricing, we can make sure those changes protect the towers who do this work right



Matt Ross
Owner, Pro Towing & Recovery



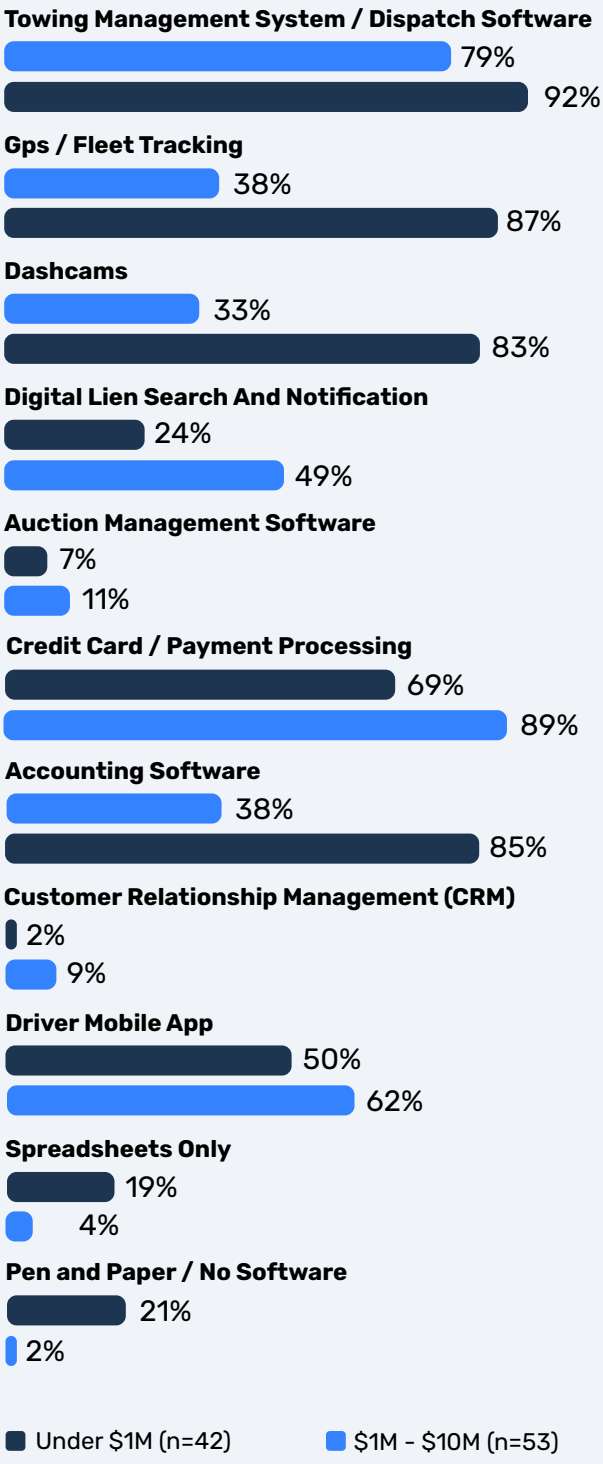
CHAPTER SIX

Tow Tech Talk

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Towing management software is standard equipment for most respondents now. **The new questions are about AI and who's using it.** This year, more respondents moved from curious to actively experimenting with it.

Technology In Use



Year-over-year compares different respondents.

6.1 The Tech Stack Breakdown

For some time now, towing management software has played a pivotal role in making towing and recovery work safer, smoother, and more efficient.

Last year's report respondents told us that these solutions have revolutionized daily operations for businesses of all sizes. In fact, 80% of 2025 survey respondents shared they had adopted towing management software to handle some or all of their work.

This year, that number grew to 85%. Most also shared they are using card payment processing (79%), and more than half use:

- GPS or fleet tracking: **62%**
- Accounting software: **61%**
- Dashcams: **59%**
- A driver mobile app: **58%**

Fewer respondents reported using digital lien search and notification (36%), auction management software (9%) or a CRM (6%).

While technology is permeating business of all sizes, it hasn't reached every corner of the industry yet. Among respondents under $1M, a third of respondents under $1M still rely on pen and paper or spreadsheets.

Mid-size respondents are more than twice as likely to use GPS (87% vs 38%), dashcams (83% vs 33%), and accounting software (85% vs 38%).

85%
use a towing management system or dispatch software

34%
are using or testing AI

41%
use AI to write invoices, lien letters or listings

6.2 AI Moves from Talk to Testing

No surprise here, but AI is gaining rapid adoption in the towing and recovery industry just as it is everywhere else.

Chapter four of last year's report showed us that while AI was a towing industry buzzword, most survey respondents had yet to truly determine where, when, and how to leverage its power to improve operations, workstreams, and profitability. In fact, last year, about only one in ten respondents mentioned exploring AI.

This year looks different:

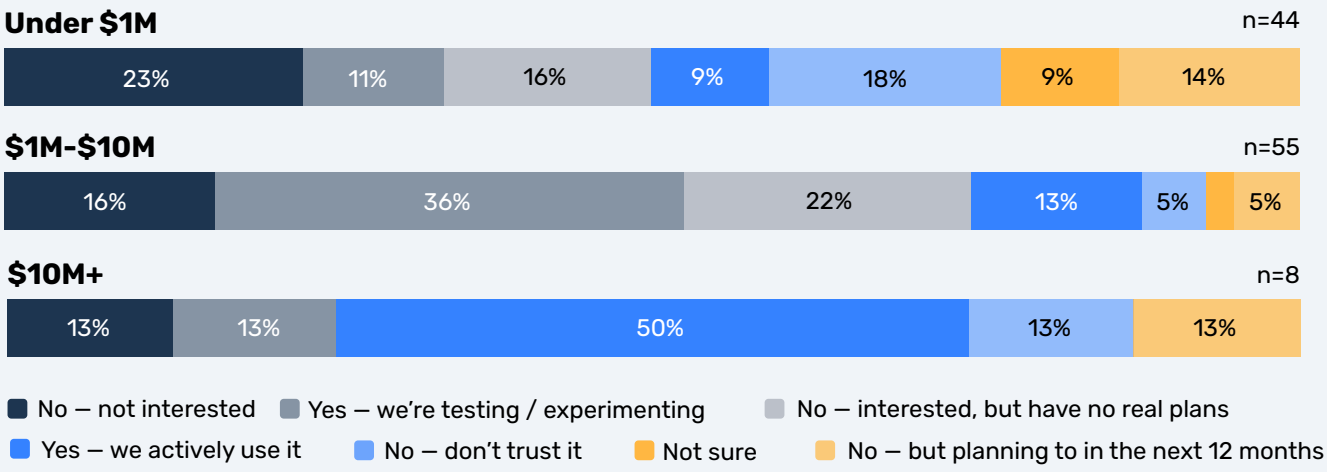
- 12% of towing professionals who took our 2026 survey said they are actively using it
- 21% are testing it
- Another 8% plan to start using AI within 12 months

Still, not everyone is convinced:

- 16% are interested, but have no plans to use AI
- 22% aren't interested
- 11% don't trust it

Adoption follows size here, too. Half of mid-size respondents (49%) use or are testing AI, against 20% of respondents under $1M.

Is the Business Using AI Today?



2025 asked a different but related question, so the comparison is directional.

6.3 AI In the Shops

We asked all respondents which tasks they use AI for today, and which they plan to start. Then we asked a few, deeper questions to understand how respondents have implemented it:

- 31% say for writing invoices, lien letters and auction listings
- 27% for driver safety from dashcams
- 20% for translating for customers
- 20% for marketing
- 11% for predicting truck maintenance

And what's on the horizon for business owners and operators who want to expand their use of this technology? Respondents shared what they plan to start in the next 12 months, including:

- Marketing: **26%**
- Predicting maintenance: **22%**
- Voice AI for phone calls: **21%**
- Translation: **21%**
- Answering customer texts about impounds and releases: **18%**

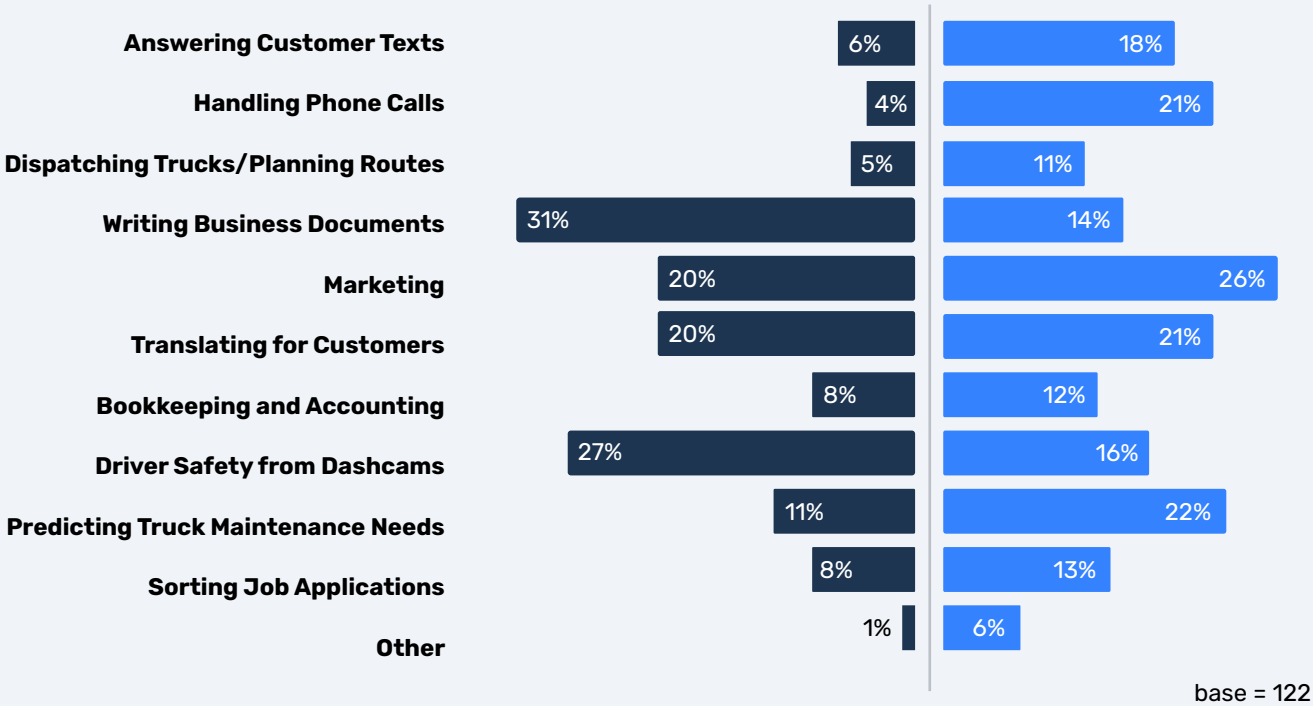
Dispatching and route planning has the least interest so far: 5% use AI for this today and 11% plan to. This is consistent with what Jade Fickert of Towboss predicted when she shared her Inside Perspective on AI for the Towing Industry (see page 27 of The State of Towing 2025 Annual Report).

"I don't believe voice AI is currently equipped to manage the complexity of real-time dispatch, especially involving municipalities. I would not want to jeopardize long-standing contracts because an officer couldn't reach a live representative. However, I do see value in voice AI being applied in other areas of the towing office to help reduce repetitive administrative tasks."

In response to the open-ended survey question asking what the biggest opportunity in 2026 is, one contributor shared:

> **"Learning AI to get ahead of the competition."**

AI by Task, Today vs Planning



base = 122

Contributor Insights

AI in Towing: The Good, the Bad, and the Ugly

Towing is one of the few industries where you can't automate the core of the job. Nobody's sending a chatbot to recover a rolled-over dump truck at 2 a.m. That puts towers in a good position to look at AI clearly, as a tool, without the panic that other industries are dealing with. Here's how I'd break it down.

The Good

- ***Less back-office grunt work.*** AI is good at the tedious work that ties up a lot of operators' time: data analysis, drafting and cleaning up recovery narratives, checking invoices for consistency, etc.
- ***DIY software tools.*** Until recently, towers had three software options: (1) pay for off the shelf software, (2) hire a developer, or (3) figure it out on spreadsheets. AI has introduced a fourth option: build your own software tools.
- ***More professional marketing.*** AI is also good at producing polished marketing materials: websites, bid responses, customer communications, etc.

The Bad

- ***Economic uncertainty.*** Investment in AI is running far ahead the revenue it's producing so far, and many people are worried about a bubble. The silver lining: towing has historically been recession resilient. (Cars break down and crash in every economy.)
- ***Job anxiety.*** Many people are worried that AI will take their jobs. My view: The bigger risk for most people isn't being replaced by AI. It's being outpaced by someone who knows when and how to use it effectively.
- ***Weaponized disputes.*** AI gives everyone access to professional-sounding writing, and that includes people trying to dodge bills they legitimately owe. An uninsured driver can now send volumes of polished, legal-sounding letters to police departments and government officials.

The Ugly

- ***AI slop.*** AI looks right, even when it isn't. In most industries, AI slop results in an embarrassing typo. In ours, it can be an injured operator or a lawsuit. Anything involving safety, legal, equipment limits, or HR needs a human expert checking it.

Bottom line: AI won't hook a car or work a rollover, but it will influence who wins in this industry. The operators who learn when and how to leverage it will be in a stronger position than ever. The ones who ignore it will be competing with one hand tied.



Ben Gaines

CEO, NETC

What This Means for You

If you're trying AI, start with marketing posts and invoices: Writing documents is already the most common use, at 31% of respondents. Have someone check anything with a legal deadline, like a lien notice, before it goes out.

If you're still on paper, move one record at a time: 33% of shops under $1M run on pen and paper or spreadsheets, while 87% of mid-size shops use GPS and 85% use accounting software. Start with whatever you lose or redo most often.

Decide what problem you're solving before you buy a tool: 26% of respondents plan to start using AI for marketing in the next year, and 21% for answering phone calls. Know which calls you're missing, or which questions take up your dispatcher's day, before you start shopping.

Industry Chatter: Challenges and Opportunities

Like last year, we asked every respondent to name the single biggest challenge and the single biggest opportunity facing their business. Here's a sample, in their words.

Challenges:

"Revenue is up 20%, but expenses are up 40%."

"Rising cost of insurance & most municipalities asking for over 1 mil in coverage."

"Insurance premiums driven by frivolous lawsuits."

"Police letting vehicles sit instead of towing them & cancelling calls."

"Having the call volume to keep employees happy while competing with larger companies."

"Getting fair rotation schedule with the State Highway Patrol."

"The quality of new towing equipment is absolutely awful."

Opportunities:

"A lot of motor club companies are dropping their contracts, and we are getting a lot of calls to service their customers at our current cash rate."

"Opening a new location to cover a new police rotation."

"Adding a few different mega-fleets to our customer list."

"Expand heavy duty side."

"Plans to grow the roadside repair service."

"Learning AI to get ahead of the competition."

"The bucket of new business is huge."

Not everyone sees an opening. About a third of respondents couldn't name an opportunity for the year ahead, and a few simply wrote some version of "keep the doors open."

The Year Ahead

To help us paint a clearer picture of how towing and recovery professionals are feeling about the near future, we closed this year's survey by asking respondents how they feel about the next 12 months.

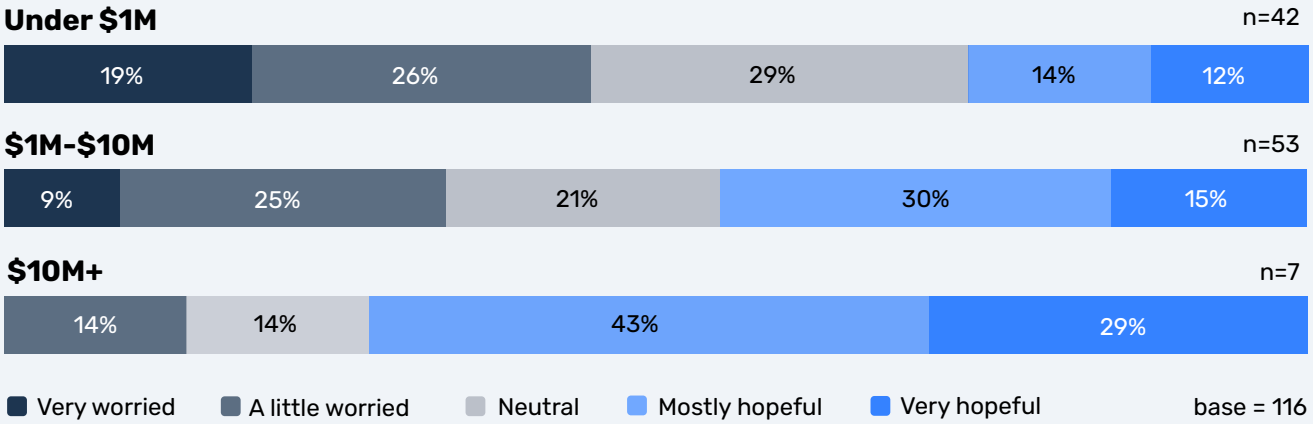
- 40% are hopeful
- 36% are worried
- 24% reported feeling neutral

Consistent with data shared throughout this report, the size of operation impacted the response we received.

Almost half (45%) of smaller operations with revenue under $1M fall into the "worried" category. The same amount (45%) of mid-sized businesses reported feeling hopeful, but closer to the remaining half (34%) said they were worried.

Data from this year's survey response also indicates that having a more positive or negative outlook correlates with business demand. Of respondents who told us they were much busier than a year ago, 80% are hopeful about the year ahead (n=20). Of those who are much slower, 64% are worried (n=14).

Outlook for the Next 12 Months



How did past predictions hold up?

Past Report Prediction:
"2026 should outperform prior years."

Outcome: Mixed findings

- 37% of this year's respondents are busier than a year ago
- 33% are slower

Past Report Prediction:
"Commercial accounts as the top growth priority."

Outcome: Partly accurate

- Commercial and motor club accounts combined are now respondents' largest sources of revenue by customer type, at 36%

Closing Note

Tell us what we missed. If something on these pages doesn't match what you're seeing in your business, we want to hear about it. It's our goal to provide you with a valuable resource full of actionable insights you can use. To meet that goal, the State of Towing Annual Report needs to accurately reflect the ideas, experiences, and data that survey respondents share. Your words; our ink.

If you have feedback, questions, corrections, or context to add, email us at hello@autura.com.

What you send will help to shape what we ask in next year's survey leading into publication of The State of Towing 2027 Annual Report.

autura™

Our Mission

We drive integrity, compliance, and efficiency in towing and recovery, so communities keep moving, lives are saved, and people get home.

Our Business

Autura builds software for towing and recovery companies and the agencies they work with, so they can run their operations with less paperwork, get paid faster, and give their communities better service.

Our products cover the entire towing lifecycle, from the call to the yard to the sale:

- **TOPS and Dispatch Anywhere:** towing management software purpose-built for dispatch, billing, and reporting
- **TowPay:** payment processing specifically designed for towing
- **TowLien:** lien processing and owner notification
- **Autura Marketplace:** online auctions for unclaimed and impounded vehicles
- **Aries:** towing management software for dispatch, impound, and private property intake purpose-built for government agencies

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Ready to see how Autura can help?
Contact our sales team.