



GUN DEALERS IN THE UNITED STATES

Illegal guns don't start out that way. Most firearms are produced by a licensed manufacturer and shipped to a licensed dealer. Nevertheless, some very quickly end up trafficked, in the hands of prohibited individuals, or used in a crime. That means dealers play an important role in stopping the flow of guns from legal to illegal markets.

KEY FINDINGS

- The US has nearly **78,000 licensed gun dealers**, more than the number of McDonald's, Burger King, Subway, and Wendy's locations combined.
- **Over half of gun dealers are located in residential communities**—many in private homes—including more than 9,000 dealers licensed to manufacture firearms and ammunition, from handguns and shotguns to silencers and other accessories.
- At current rates, FFLs can expect to be inspected **less than once per decade**. That is in stark contrast to federal regulations on elevators (annually) and restaurants (every six months).
- **One in five public elementary schools** is within half a mile of a gun dealer.
- Just **2.5 percent** of gun dealers sell over **50 per policent** of all guns in the United States.
- There are roughly **five incidents per day** where firearms go missing from gun dealers through robbery, burglary, larceny, or other loss. Too often these guns are diverted to the illegal market.

FIREARMS LICENSING TYPES AND LOCATIONS

Before legally selling firearms as a business in the United States, individuals and companies must apply for and receive a Federal Firearms License (FFL) from the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), the federal agency that regulates gun dealers. In 2022, there were nearly 78,000 active gun dealers, over twice as many as US Postal Service post offices.



77,813
Licensed Dealers



31,132
Post Offices

Source: Everytown Research analysis of ATF, Monthly Federal Firearms Listings, 2022, and US Postal Service, "Postal Facts: Postal Service-managed Retail Offices," 2023.

The three gun dealer license types that account for 99 percent of commercial firearm sales are Types 1, 2, and 7. Type 1 and Type 2 licenses allow individuals or companies to sell and pawn firearms respectively. In addition to selling, Type 7 licenses permit the manufacture of firearms. Type 7 licenses are the fastest-growing license type, more than doubling from 2014 to 2022.

In 2022, over half of licensed gun dealers were located at residential addresses. Nearly 9,000 Type 7 licenses were located in residential communities, effectively converting homes into gun manufacturing shops without requiring any notification or approval from neighbors. In addition, our analysis found that more than one in five public elementary schools is within half a mile of a licensed gun dealer.

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INSPECTIONS

Inspections of licensed gun dealers help to prevent criminal access to firearms. The ATF aims to inspect licensed dealers every three years. However, in 2022, they inspected only 9 percent of FFLs—falling far short of their stated goal. At this rate, a gun dealer could anticipate an inspection once every 10 years. Federal regulators of elevators and restaurants require inspections five to 10 times more frequently.

THE GUN DEALER–GUN TRAFFICKING CONNECTION

In 2021, over 10,300 guns were either lost or stolen from gun shops. This amounts to a rate of 28 guns per day likely moving from legal to illegal markets where they can be trafficked to be used in crimes.

States with the most gun dealers per capita have 10 times higher rates of guns trafficked to another state and subsequently used in a crime than states with the least. Gun traffickers often take these guns to states with fewer gun dealers: states with the fewest FFLs per capita receive over twice as many trafficked guns per capita compared to states with the most.

10x

States with the highest number of gun dealers per capita have 10 times higher rates of guns trafficked to another state and subsequently used in a crime.

Everytown Research analysis of ATF, Monthly Federal Firearms Listings, 2021 and ATF, Firearms Trace Data, 2017-2021.

POLICY SOLUTIONS

Federal lawmakers should update and modernize standards for licensed gun dealers and provide better tools to identify dealers who fail to meet standards by passing the Federal Firearm Licensee Act (FFLA) [H.R. 1478]. **The ATF** should conduct more inspections, modernize record-keeping, enforce new gun trafficking prevention laws, and share data with local law enforcement.

States should adopt legislation that requires state gun dealer licenses, as is done in Hawaii and Pennsylvania. They should also require regular transaction reporting, like Maryland does, and require all gun dealer employees to pass background checks, as in Virginia. State nuisance statutes, such as those in California, Delaware, New Jersey, and New York, would further enable lawsuits against gun dealers who knowingly violate state gun sale and marketing laws.

Local law enforcement offices should publish gun tracing reports and prosecute rogue dealers. Local gun tracing reports should feature data on the number and location of recovered firearms, plus the dealer and state from which they originated.

FURTHER READING

This information was compiled from “Inside the Gun Shop: Firearms Dealers and their Impact,” published on July 6, 2023, by Everytown Research. The full report is available [here](#) and at the QR code:

