

# Auto Lending

## is Shifting Into High Gear



### / THE CURRENT STATE OF AUTO FINANCING



demonstrates an ongoing opportunity for financial institutions to serve customers and grow their loan portfolio.

- **85%** of all new passenger vehicles are financed, compared with **55%** of used vehicles.<sup>1</sup>
- Americans take out **\$51B** in **2.3MM** new auto loans each month, borrowing **\$32.5k** for new cars and **\$20.5k** for used cars.<sup>2</sup>
- The average loan amount is **\$31,187** for new vehicles and **\$20,137** for used vehicles.<sup>3</sup>

### / HOW DO CONSUMERS SHOP FOR AUTOS?

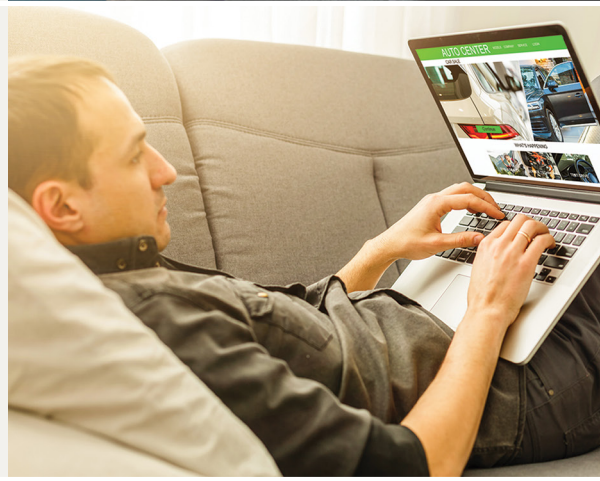


- Buyers these days spend **59%** of their time researching online.<sup>4</sup>
- Consumers tend to prefer third-party sites for car shopping — **80%** of all buyers visit them at some point during the shopping process.<sup>5</sup>
- **61%** of new car financing and **9%** of used car financing is done through vehicle manufacturer or dealership “captive” financing deals.<sup>6</sup>
- Satisfaction declined to **67%** when interactions with the finance and insurance department were factored in.<sup>7</sup>

### / GENERATIONAL AUTO FINANCING HABITS



- Americans **<45** years old take out **\$38B** in auto debt, compared with the **\$13.3B** auto debt of older generations.
- **Boomers** hold the largest share of new-vehicle registrations,<sup>8</sup> but lowest average balance.<sup>9</sup>
- **Gen X** is most likely to have an auto loan and carry the highest balance.<sup>10</sup>
- **24%** of **Millennials** plan to purchase a vehicle in the next 12 months.<sup>11</sup>
- **Gen Z** tends to gravitate toward auto loans more than Millennials did when they were in the 18-24 age bracket. **23%** of Gen Z have auto loans compared with just **16%** of Millennials who were in the same age range.<sup>12</sup>



For more information on how to act on these opportunities, read our white paper, *Trends and Opportunities in Auto Lending*.

There's a science behind every approach. We have the knowledge and experience to help you build an effective auto loan acquisition strategy that works for what's now and what's next.

Call **1.800.351.3843**

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<sup>1</sup> Tatham, Matt, "Auto Loan Debt Sets Record Highs," Experian.com July 18, 2019  
<sup>2</sup> Jones, Jenn, "Average Car Payment | Loan Statistics, 2020," January 8, 2020  
<sup>3</sup> Tatham, Matt, "Auto Loan Debt Sets Record Highs," Experian.com July 18, 2019  
<sup>4</sup> Autotrader  
<sup>5</sup> Ibid.  
<sup>6</sup> Sato, Gayle, "Do More People Finance Auto Loans at a Bank or Dealership?" Experian.com October 26, 2020

<sup>7</sup> Autotrader  
<sup>8</sup> Jones, Jenn, "Average Car Payment | Loan Statistics, 2020," January 8, 2020  
<sup>9</sup> Stolba, Stefan Lembo, "Baby Boomers | Auto Debt, 2020 High Among Generations," Experian.com August 28, 2019  
<sup>10</sup> Jones, Jenn, "Average Car Payment | Loan Statistics, 2020," January 8, 2020  
<sup>11</sup> Bankrate  
<sup>12</sup> Finlay, Steven, "Gen Z Gets 'A' for Credit Activity," January 28, 2020