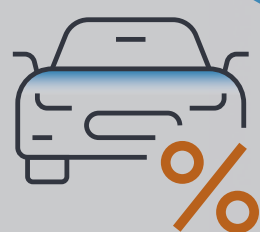


Auto Lending

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.¹
- Americans take out **\$51B** in **2.3MM** new auto loans each month, borrowing **\$32.5k** for new cars and **\$20.5k** for used cars.²
- The average loan amount is **\$31,187** for new vehicles and **\$20,137** for used vehicles.³

How do consumers shop for autos?

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

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,⁸ but lowest average balance.⁹
- **Gen X** is most likely to have an auto loan and carry the highest balance.¹⁰
- **24%** of **Millennials** plan to purchase a vehicle in the next 12 months.¹¹
- **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.¹²



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. Harland Clarke has 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**

Email contactHC@harlandclarke.com

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¹ Tatham, Matt, "Auto Loan Debt Sets Record Highs," Experian.com July 18, 2019

² Jones, Jenn, "Average Car Payment | Loan Statistics, 2020," January 8, 2020

³ Tatham, Matt, "Auto Loan Debt Sets Record Highs," Experian.com July 18, 2019

⁴ Autotrader

⁵ Ibid.

⁶ Sato, Gayle, "Do More People Finance Auto Loans at a Bank or Dealership?" Experian.com October 26, 2020

⁷ Autotrader

⁸ Jones, Jenn, "Average Car Payment | Loan Statistics, 2020," January 8, 2020

⁹ Stolba, Stefan Lembo, "Baby Boomers' Auto Debt Ranks High Among Generations," Experian.com August 28, 2019

¹⁰ Jones, Jenn, "Average Car Payment | Loan Statistics, 2020," January 8, 2020

¹¹ Bankrate

¹² Finlay, Steven, "Gen Z Gets 'A' for Credit Activity," January 28, 2020