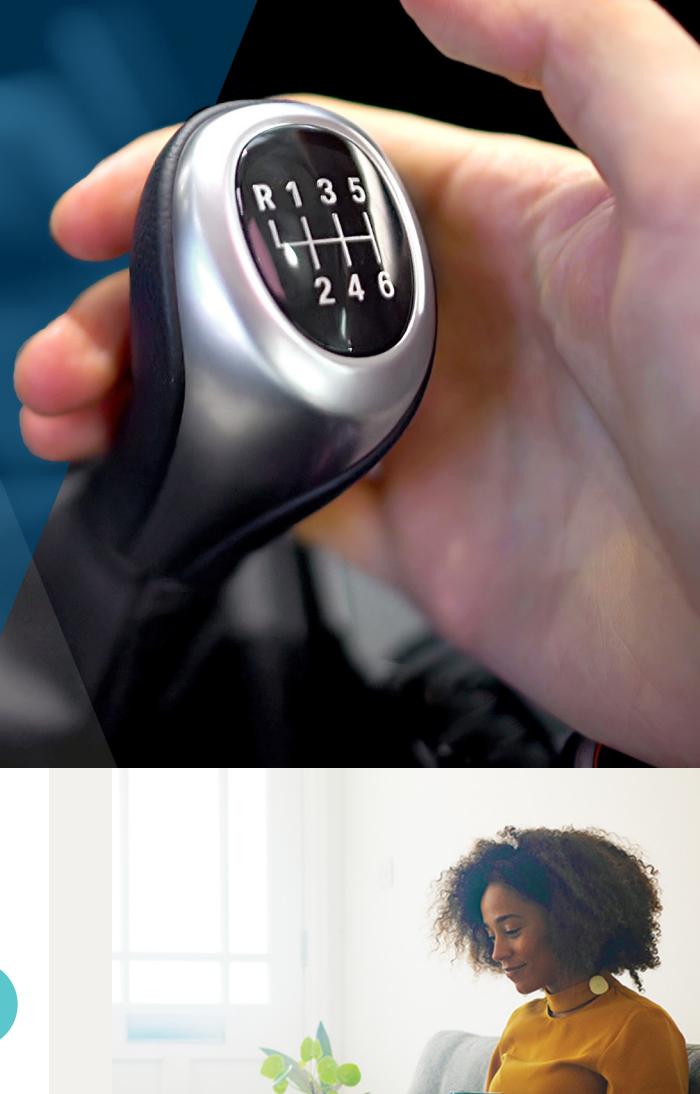


Auto Lending

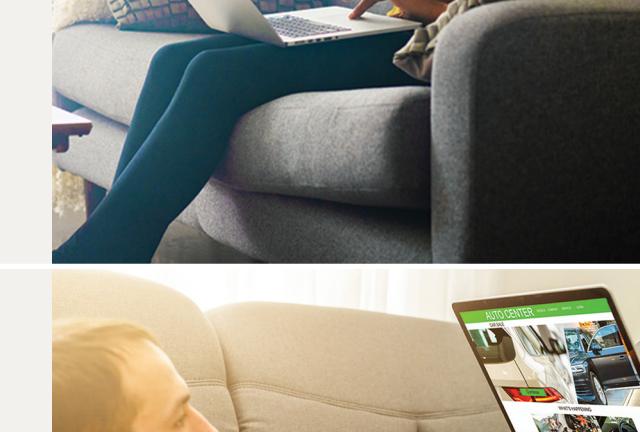
is Shifting Into High Gear



/ THE CURRENT STATE OF AUTO FINANCING

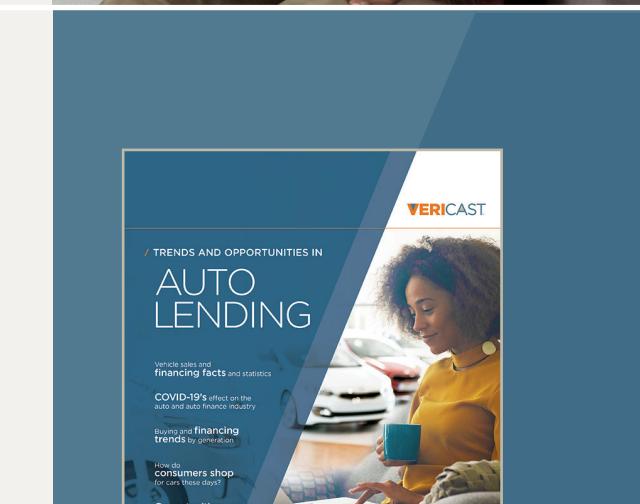
demonstrates an ongoing opportunity for financial institutions to serve customers and grow their loan portfolio.

- 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. 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

Email contactHC@harlandclarke.com

Visit vericast.com/Acquisition

VERICAST

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