

Macro Roundup Article

Headline: [Auto Affordability: An Uphill Drive](#)

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Tweet: Auto sales are flattening according to internal @BankofAmerica data, as higher financing rates add nearly \$100 to the average car loan monthly payment vs. 2022, and insurance costs are up 22.5% vs. last year.

Summary: While used car originations have been supported by declining used car prices, Bank of America loan origination data shows that in 2024 the year-over-year growth in total (new and used) vehicle originations is slowing; auto sales data also suggests the uptrend in new car sales has flattened off. One reason for this flattening, we believe, is that the total 'all in' cost of ownership – including elevated interest rates, insurance, and maintenance costs – has become more expensive even as auto prices are declining. The interest rates for car loans have risen sharply since April 2022, increasing almost 4pp for 48, 60, and 72 month loans. This translates to nearly a \$100 monthly payment increase for a loan of \$51.2K, the average new vehicle loan amount as of March 2024, according to internal Bank of America data. Insurance costs are rising, too. According to the Bureau of Labor Statistics' Consumer Price Index data, motor insurance prices jumped 22.6% YoY in April 2024.

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Primary Topic: Business Cycle

Topics: Business Cycle, GDP, Op-Ed/Blog Post

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