



House Budget Committee

SOUNDING THE ALARM: SOARING CAR PAYMENTS

The typical payment on an average new car has increased by \$158.66 per month – a 25.6% spike since Biden took office.

	February 2021	February 2023
Av. New Vehicle Transaction Price	\$41,066.00	\$48,558.00
20% Down Payment	\$8,213.20	\$9,711.60
Size of Loan	\$32,852.00	\$38,846.00
Months to Pay Off Loan	60	60
Interest Rate	4.96%	7.48%
Total Monthly Payment	\$619.37	\$778.03
TOTAL	<ul style="list-style-type: none"> • 25.60% increase • \$158.66 more per month • \$1,903.00 more per year • \$9,519.72 more over the course of a loan 	

In fact, it now costs significantly more to pay off the same car loan than it did at the beginning of 2021:

	February 2021	February 2023
Car Price	\$40,000.00	\$40,000.00
20% Down Payment	\$8,000.00	\$8,000.00
Size of Loan	\$32,000.00	\$32,000.00
Months to Pay Off Loan	60	60
Interest Rate	4.96%	7.48%
Total Monthly Payment	\$603.29	\$640.91
TOTAL	<ul style="list-style-type: none"> • 6.20% increase • \$37.62 more per month • \$451.40 more per year • \$2,257.02 more over the course of a loan 	

