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## LendingTree Reveals Which Used Car Brands Borrowers are Stretching the Most to Buy

**A LendingTree study looks at monthly car payment as a percent of monthly income to determine which car brands consumers stretch their finances most to afford**

CHARLOTTE, N.C., Jan. 22, 2018 /PRNewswire/ -- [LendingTree®](#), the nation's leading online loan marketplace, has released the findings of its study on which car makes borrowers are stretching the most to afford.



Financing a car is one of the more significant financial decisions Americans make, and even those who try to save money by buying used cars can struggle to afford the monthly car payments. A recent [LendingTree survey](#) found that 27 percent of Americans plan to purchase a car in 2018. To discover if consumers are more likely to stretch their available incomes to own certain brands, LendingTree looked at people who found auto loans on the [LendingTree.com](#) platform in 2017 to buy used vehicles.

Contrary to popular assumptions, the results revealed that people aren't going broke to buy used luxury cars. In fact, buyers of the most expensive cars seem to handily afford them.

On the other hand, LendingTree found Buick owners have the hardest time affording their car payments — not because they're indulging in particularly expensive vehicles but because their income tends to be on the lower side, meaning they use a larger share of take home pay to cover their monthly payments.

Car Makes Borrowers Stretch the Most to Buy Used				
Rank	Make	Estimated Monthly Payment as a Percent of Estimated Monthly Income	Average Estimated Monthly Payment	Average Estimated Vehicle Price
1	BUICK	10.9%	\$418	\$18,597
2	CHRYSLER	10.9%	\$440	\$18,497
3	NISSAN	10.6%	\$405	\$18,231
4	DODGE	10.6%	\$454	\$22,290
5	CHEVROLET	10.2%	\$437	\$20,930
6	KIA	9.7%	\$368	\$17,357
7	HONDA	9.4%	\$389	\$18,053
8	HYUNDAI	9.3%	\$356	\$17,216
9	MITSUBISHI	9.0%	\$370	\$17,205
10	CADILLAC	8.8%	\$480	\$25,294
11	FIAT	8.8%	\$341	\$16,543
12	FORD	8.6%	\$424	\$21,648
13	GMC	8.3%	\$466	\$25,077
14	JEEP	8.1%	\$414	\$21,885
15	VOLKSWAGEN	8.0%	\$363	\$16,909
16	MAZDA	7.8%	\$355	\$18,326
17	TOYOTA	7.7%	\$385	\$19,788
18	JAGUAR	7.6%	\$503	\$27,734
19	INFINITI	7.6%	\$454	\$24,728
20	BMW	7.4%	\$476	\$25,038
21	MERCEDES-BENZ	7.3%	\$519	\$28,792
22	SUBARU	7.2%	\$361	\$19,219
23	ACURA	7.0%	\$409	\$22,623
24	AUDI	6.8%	\$482	\$26,725
25	LEXUS	6.7%	\$459	\$25,393
26	LINCOLN	6.6%	\$396	\$22,205

27	LAND ROVER	6.2%	\$569	\$31,704
28	VOLVO	6.1%	\$400	\$20,877
29	MINI	5.7%	\$355	\$17,728
30	PORSCHE	5.0%	\$635	\$42,173
31	TESLA	4.6%	\$818	\$54,234

## Key Findings:

### Tesla buyers can best afford their cars

As unlikely as it seems, one of the most expensive car makes assessed<sup>[1]</sup> is the one its buyers can most easily afford - by a considerable amount. The reason for this is simple: Tesla buyers have the highest incomes out of all those who used the LendingTree platform to finance their purchase of used cars. LendingTree estimates buyers are spending about \$54,234 to buy a used Tesla, with an average monthly payment of \$818.

But because they're such high earners, the average Tesla buyer is only spending an average of 4.6 percent of their reported monthly income to pay it off. To put that in context, the average used car buyer on LendingTree's platform is estimated to pay 8.9 percent of their monthly income on car payments.

Tesla has good company with other luxury makers. Porsche is the second most expensive used car reviewed, with an average estimate price of \$42,173 and an average estimated monthly payment of \$635.

Yet, Porsche owners are only spending on average 5 percent of their monthly income on the car note. Volvo, Land Rover, Lincoln, Lexus, Audi and Acura are also affordable to their owners, who pay between 6-7 percent of their income toward their car debt.

### Of non-luxury makes, Mini and Subaru owners can best afford their cars

Outside of the luxury market<sup>[2]</sup>, Mini owners spend the smallest share of their income on their monthly payments. At 5.7 percent, they come in just behind Tesla and Porsche owners, but they do it by buying their cars for a humble \$17,728, with monthly payments of about \$355. Owners of the more popular Subaru also stay well within their means, spending just 7.2 percent of their monthly income on car payments of \$361, for an average price tag of \$19,219.

### Borrowers are breaking the bank to buy Buicks, Chryslers, Nissans, Dodges and Chevrolets

Buick and Chrysler owners who took out a loan to finance the purchase of a used car in 2017 are spending an average 10.9 percent of their monthly income to make \$418 and \$440 monthly payments, respectively.

That's more than twice the percentage of income that Tesla and Porsche owners spend on their car payments.

The buyers aren't paying an exorbitant amount for those cars, relative to the other buyers on the platform; Buick buyers spent an average of \$18,597 on their vehicles, and Chrysler buyers slightly less with an average of \$18,497, but their reported monthly earnings fall on the lower end of the group, and they get the least favorable loan terms.

### After Buick, Cadillac is the luxury brand buyers stretch the most to own

At 8.8 percent of their reported income, Cadillac owners are willing to spend the largest percentage of their monthly income among buyers of used luxury makes. They're also willing to pay the healthy average price of about \$25,294, which results in an average payment of \$480.

Jump several places down the list to see other luxury cars, where several are clustered around 7.5 percent of monthly income. Jaguar, Infiniti, BMW and Mercedes-Benz owners paid about \$27,734, \$24,728, \$25,038 and \$28,792, respectively, which come to average monthly payments of \$503, \$454, \$476 and \$519, respectively.

### Buying used can save substantial money, but financing can be trickier

"For most Americans, price and monthly payment are still significant deciding factors, as they are often searching for a vehicle to fit within a certain budget. Used cars offer a huge price advantage and are great for those who are less picky about having the most current features. But used cars often have fewer dealer incentives, such as low financing, to capture buyers," explained Mike Ouyang of LendingTree's auto division.

"This means you could also save big by shopping around for financing first, like you would for vehicle inventory prices on sites like [CarGurus](#)."

LendingTree and other outlets regularly publish helpful information, such as [this guide](#) on how to finance to get your wheels.

**For more information on the study, visit <https://www.lendingtree.com/auto/car-brands-borrowers-stretching-most-to-buy/>.**

[1] LendingTree's samples of some other, potentially comparable luxury brands were too small to confidently assess. These included Aston Martin, Maserati, Lotus, Genesis and Bentley.

[2] LendingTree's sample of Smart, a potentially comparable brand, was too small to confidently assess.

### **Methodology**

This study used data of borrowers who used the [LendingTree.com](#) platform to complete auto loans to purchase used cars and light vehicles in 2017. Purchasers who did not report income were excluded, and car makes with too few purchases to draw reliable conclusions were also excluded.

Average estimated vehicle cost is the sum of self-reported down payment amounts and actual loan amounts averaged across all purchasers of that make. Average estimated monthly payment is the monthly payment of each buyer (calculated on amount borrowed, loan term, and interest rate) averaged across all purchasers of that make. Estimated monthly payment as a percentage of monthly income is the calculated monthly payment divided by borrower self-reported monthly income (data is available in ranges of \$50, so the midpoint was used for this estimate), averaged across all purchasers of that make.

### **About LendingTree**

LendingTree (NASDAQ: TREE) is the nation's leading online loan marketplace, empowering consumers as they comparison-shop across a full suite of loan and credit-based offerings. LendingTree provides an online marketplace which connects consumers with multiple lenders that compete for their business, as well as an array of online tools and information to help consumers find the best loan. Since inception, LendingTree has facilitated more than 65 million loan requests. LendingTree provides free monthly credit scores through My LendingTree and access to its network of over 500 lenders offering home loans, personal loans, credit cards, student loans, business loans, home equity loans/lines of credit, auto loans and more. LendingTree, LLC is a subsidiary of LendingTree, Inc. For more information go to [www.lendingtree.com](http://www.lendingtree.com), dial 800-555-TREE, like our Facebook page and/or follow us on Twitter @LendingTree.

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