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Consumer Credit Insights

Auto Debt in Third District States

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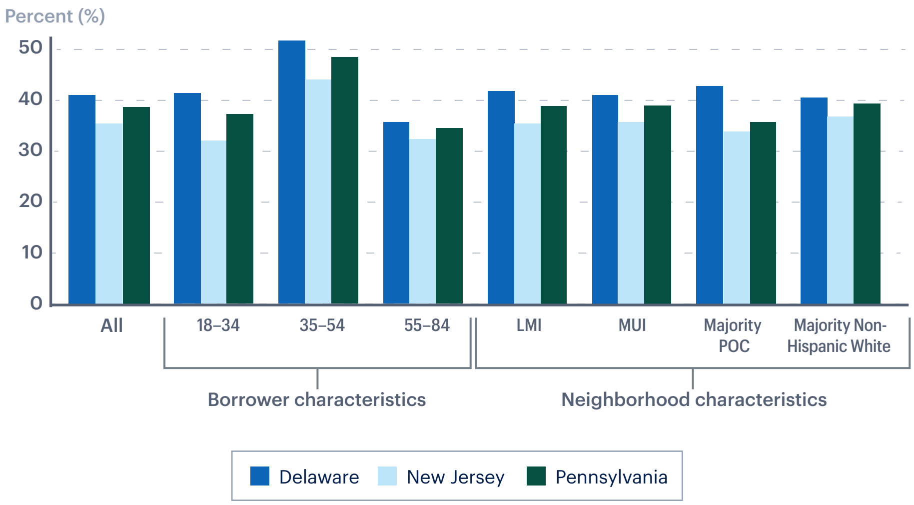
New data from the Federal Reserve Bank of Philadelphia's Consumer Credit Explorer (CCE) offer insights into consumer credit conditions in the Federal Reserve's Third District states: Delaware, New Jersey, and Pennsylvania.[2] This brief uses data from the CCE to highlight key trends in consumer auto debt as of the first quarter of 2025 ("2025Q1").[3]

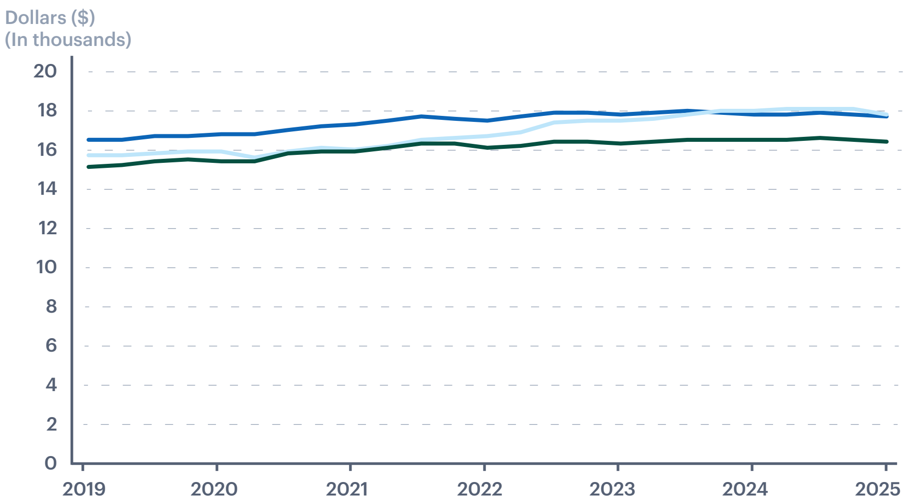
Auto Debt Overall

About the same share of borrowers in Third District states had auto debt in 2025Q1 compared with the same period a year before, although, generally, the share has been declining in recent years.[4] The share of borrowers with auto debt was similar across low- and moderate-income (LMI) and middle- and upper-income (MUI) neighborhoods and highest for 35- to 54-year-old borrowers. Shares were higher in neighborhoods that are majority people of color (POC) in Delaware and neighborhoods that are majority non-Hispanic White in New Jersey and Pennsylvania. Average inflation-adjusted auto debt has remained relatively stable in the past year, although averages in New Jersey have been rising faster in recent years than they have in Delaware or Pennsylvania.[5] In 2025Q1, average auto debt was $16,600 in Pennsylvania, $17,900 in Delaware, and $18,000 in New Jersey. MUI neighborhoods had higher average auto debt compared with LMI neighborhoods.[6] Averages were higher in majority-POC neighborhoods in Pennsylvania and majority non-Hispanic White neighborhoods in New Jersey and Delaware.[7]

PERCENTAGE OF BORROWERS WITH AUTO DEBT, 2025Q1



AVERAGE TOTAL AUTO DEBT (INFLATION ADJUSTED)



[1] The views expressed here are those of the author and do not necessarily represent the views of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.

[2] The Federal Reserve's Third District is a region that covers eastern and central Pennsylvania, southern New Jersey, and Delaware. Data shown are for the entirety of each state.

[3] All series included in this brief are publicly available via the CCE, an interactive tool for examining quarterly trends in consumer credit use at the regional, state, and national levels, available at www.philadelphiafed.org/surveys-and-data/community-development-data/consumer-credit-explorer. The tool's series are generated using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax Data, which is a nationally representative dataset of anonymized individual credit files. Refer to the CCE for more details on data and methodology. This brief is part of a series that highlights regional trends in CCE data across different debt types. The related briefs are available at www.philadelphiafed.org/community-development/credit-and-capital/consumer-credit-insights-debt-in-third-district-states.

[4] Calculated as the number of borrowers with auto debt greater than $0 divided by the number of consumers with total debt greater than $0. Auto debt is debt from auto loans from monoline automobile finance companies as well as lenders that provide a wider range of consumer financial products, such as banks or credit unions.

[5] This refers to the average auto balance for borrowers with outstanding auto debt (greater than $0). All dollar figures are reported in 2025Q1 dollars, adjusted using the BEA Personal Consumption Expenditures deflator.

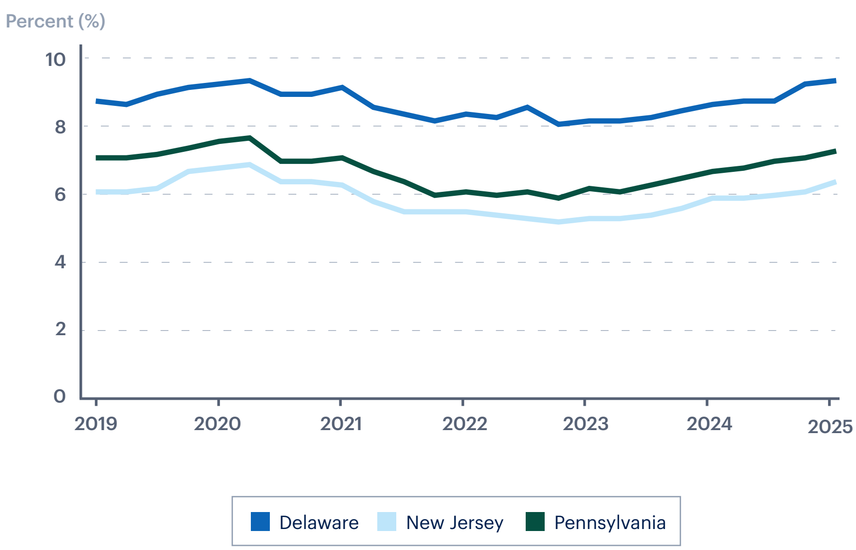
[6] LMI neighborhoods are census tracts in which the 2016–2020 American Community Survey (ACS) median family income (MFI) is less than 80 percent of the MFI in the associated metropolitan statistical area (MSA) or non-MSA counties in the state, while MUI neighborhoods are census tracts in which the MFI is greater than or equal to 80 percent.

[7] Majority-POC neighborhoods are census tracts in which more than 50 percent of residents identify their race as anything other than White alone or their ethnicity as Hispanic or Latino in the 2016–2020 ACS, while majority non-Hispanic White neighborhoods are census tracts in which more than 50 percent of residents identify their race as White alone and their ethnicity as non-Hispanic.

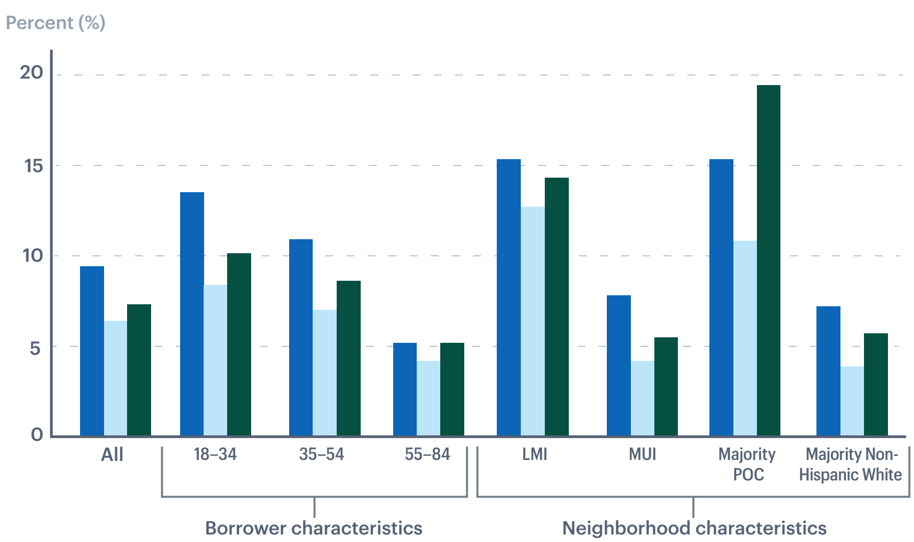
Auto Debt Delinquencies

The share of auto borrowers with severely delinquent auto debt has been on the rise in Third District states, most recently reaching levels not seen since 2020.[8] This is heightened for some borrowers: In 2025Q1, between 13 and 15 percent of borrowers living in LMI neighborhoods across the three states had severely delinquent auto debt. The share was 19 percent for borrowers in majority-POC neighborhoods in Pennsylvania. Borrowers under 55 years old also had higher rates than borrowers 55 and older. Some regions in the Third District had a higher share of severely delinquent auto borrowers than others, including the Vineland, NJ, Dover, DE, and Atlantic City–Hammonton, NJ, metropolitan areas. LMI neighborhoods in some metropolitan areas had even higher rates of severely delinquent auto borrowers, with rates as high as 23 percent in Vineland, NJ, 20 percent in Reading, PA, and 18 percent in Johnstown, PA.

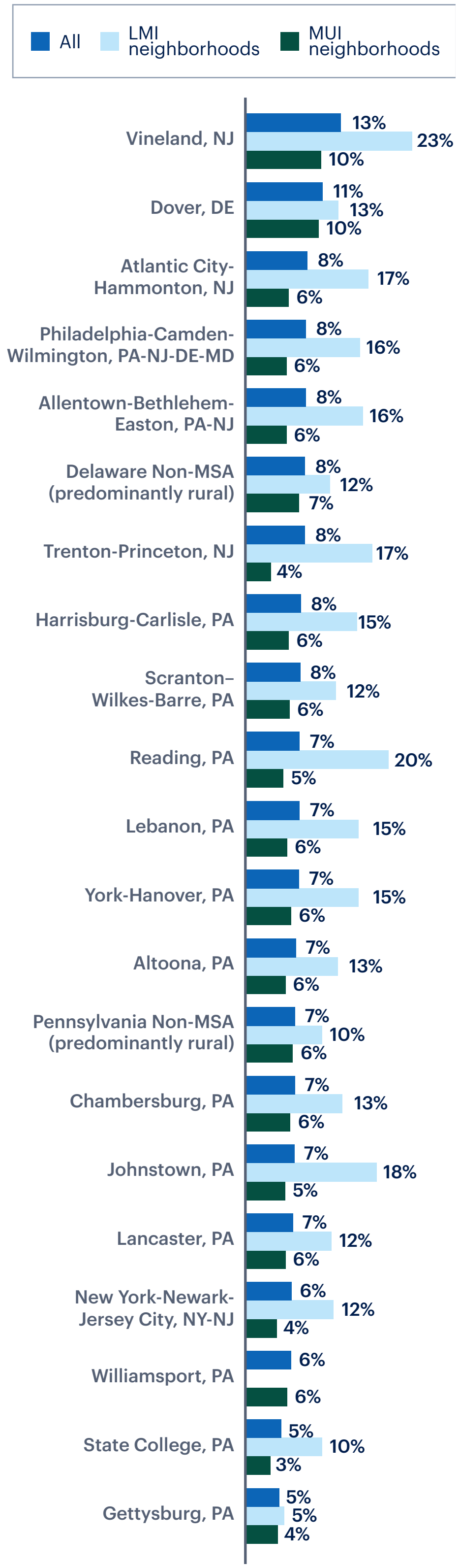
PERCENTAGE OF AUTO BORROWERS WITH SEVERELY DELINQUENT AUTO DEBT



PERCENTAGE OF AUTO BORROWERS WITH SEVERELY DELINQUENT AUTO DEBT, 2025Q1



PERCENTAGE OF AUTO BORROWERS WITH SEVERELY DELINQUENT AUTO DEBT BY METROPOLITAN AREA, 2025Q1



[8] Calculated as the number of auto borrowers with at least one severely delinquent auto account divided by the number of borrowers with auto debt greater than $0.

SCAN TO VISIT THE CONSUMER CREDIT EXPLORER