

Labor, Income, Finances, and Expectations (LIFE) Survey

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# Vehicle Purchase Intentions and Perceptions of Ownership Costs: Insights from the April 2026 LIFE Survey

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For most American households, a motor vehicle is a necessity that has lately become more expensive to keep on the road — as has replacing an aging vehicle with a newer one. As vehicle prices have increased in recent years, so have the carrying costs of ownership: insurance, fuel, and repairs. Higher auto loan delinquency rates in recent years suggest vehicle owners are stretched thin. Combined with weaker consumer spending growth in some segments, recent increases in inflation, and faltering consumer confidence, this poses the question of whether vehicle purchases will also decline.<sup>1</sup> Despite these headwinds, new-vehicle sales early this spring were higher than expected, in part owing to an increase in the share of new-vehicle purchases by affluent consumers (Cox Automotive 2026). How robust the auto market will be in the near future remains an open question with many moving parts.

This report uses the Philadelphia Fed’s Labor, Income, Finances, and Expectations (LIFE) Survey, fielded in April 2026, to assess the financial burden of vehicle ownership costs and households’ near-term intentions to purchase a vehicle.<sup>2</sup> The April 2026 survey revisits questions last asked in 2023.<sup>3</sup> Two patterns emerge: a pullback in buying intentions and financial strain from the costs of vehicle ownership. Plans to buy a new or used vehicle in the near future (i.e., the next three months) are 7 percentage points lower than three years ago, with the steepest declines in buying intentions among younger respondents. Among those who do not plan to buy a vehicle, one-third report that it is because

<sup>1</sup> Sources: Domonoske (2025), Rhone (2026), and U.S. Bureau of Labor Statistics (2026). Bank of America Institute (2026) documents strong debit and credit card spending overall in April 2026 relative to one month earlier, but spending growth slowed in some discretionary categories, particularly for lower- and middle-income households. For a discussion of rising auto delinquency rates, see Adams, Bord, and Sannoh (2024); Haughwout et al. (2025); Cheney et al. (2026), and Bhutta and Zeballos Doubinko (2026).

<sup>2</sup> The LIFE Survey is a quarterly survey of a cross-sectional sample of U.S. adults ages 18 and older. The survey is conducted online, and respondents are selected to be representative of the U.S. adult population. Survey responses are also weighted to improve the representativeness of the sample. More information can be found at the [methodology page](#). The April 2026 survey was in the field between March 27 and April 9. Because 82.1 percent of the responses were collected in April, we refer to it as the April 2026 survey for brevity.

<sup>3</sup> To avoid seasonal differences, we select April 2023 for many of our comparisons. However, responses for several questions were also collected in the July and October 2023 surveys. The sample sizes for the April 2023 and April 2026 surveys were 5,039 and 5,031, respectively.

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they cannot afford one. For many current vehicle owners, the costs of keeping their vehicle on the road are a financial strain. Over 20 percent of vehicle owners report that auto insurance and fuel costs are significant financial burdens. For respondents who struggle to pay their monthly bills in particular, this figure rises to just under 50 percent.

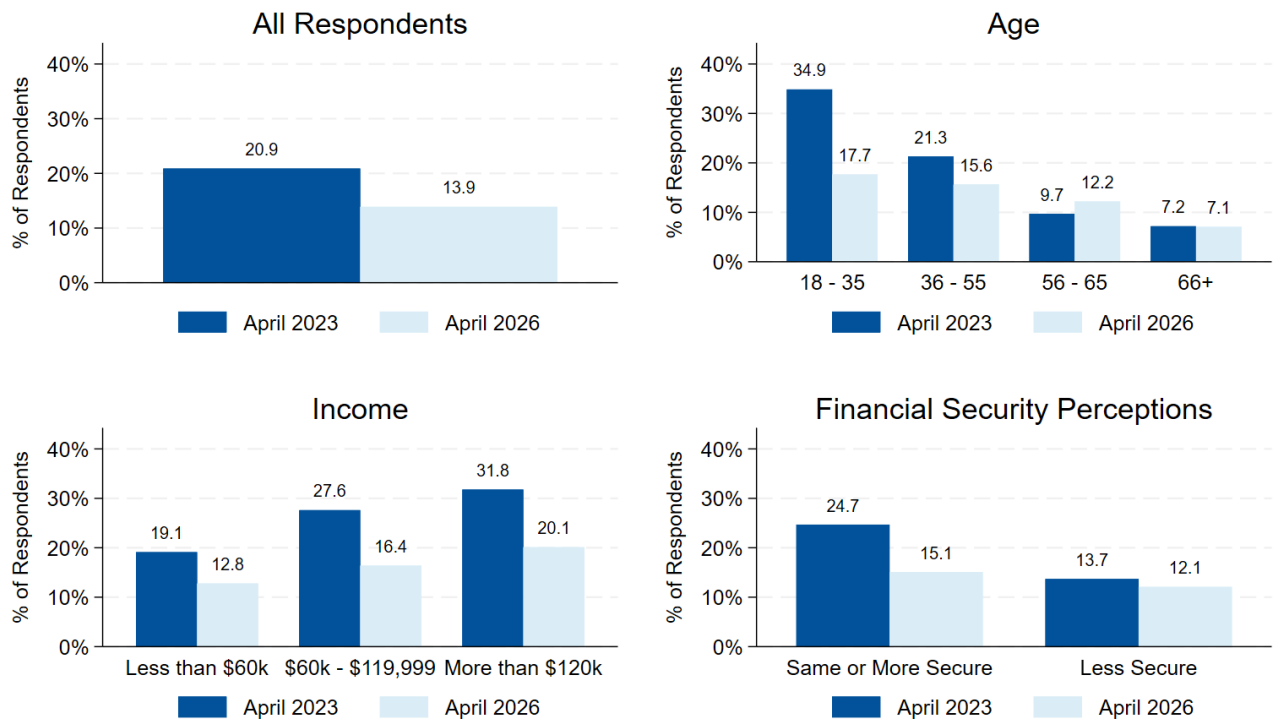
## Intentions to Buy

As of April 2026, 13.9 percent of respondents anticipated buying a new or used vehicle in the next three months, 7 percentage points lower than in April 2023 (**Figure 1**). The decline in buying intentions is broadly observed across all income groups — it is not concentrated in lower incomes. The picture is somewhat mixed across age groups. Among 18–35-year-olds, vehicle purchase intentions fell from 35 percent to 18 percent — the largest decline reported by any age group. Those over 55 had little difference in buying intentions over time — changes between April 2023 and April 2026 were statistically indistinguishable. These findings are consistent with recent LIFE survey results indicating that fewer young renters intended to purchase a home in the first half of 2026, compared with those surveyed in early 2025, whereas older renters showed no decline in homebuying intentions (Akana, Drayton, and Lambie-Hanson 2026).<sup>4</sup>

Respondents were also asked about how financially secure they feel relative to one year earlier, which could influence future purchasing decisions. Those feeling less secure financially were less likely to report plans to buy a vehicle. On the other hand, the largest percentage-point reduction in buying intentions between April 2023 and April 2026 came from those *who felt equally or more secure* relative to the prior year. In other words, a sense of financial security mattered less in 2026 in predicting vehicle buying intentions, as both groups have similarly low rates of plans to buy.

<sup>4</sup> Specifically, in January 2026, 9 percent of renters aged 18 to 35 intended to take out a mortgage in the following six months (a proxy for becoming homeowners), down from 24 percent of young renters in January 2025.

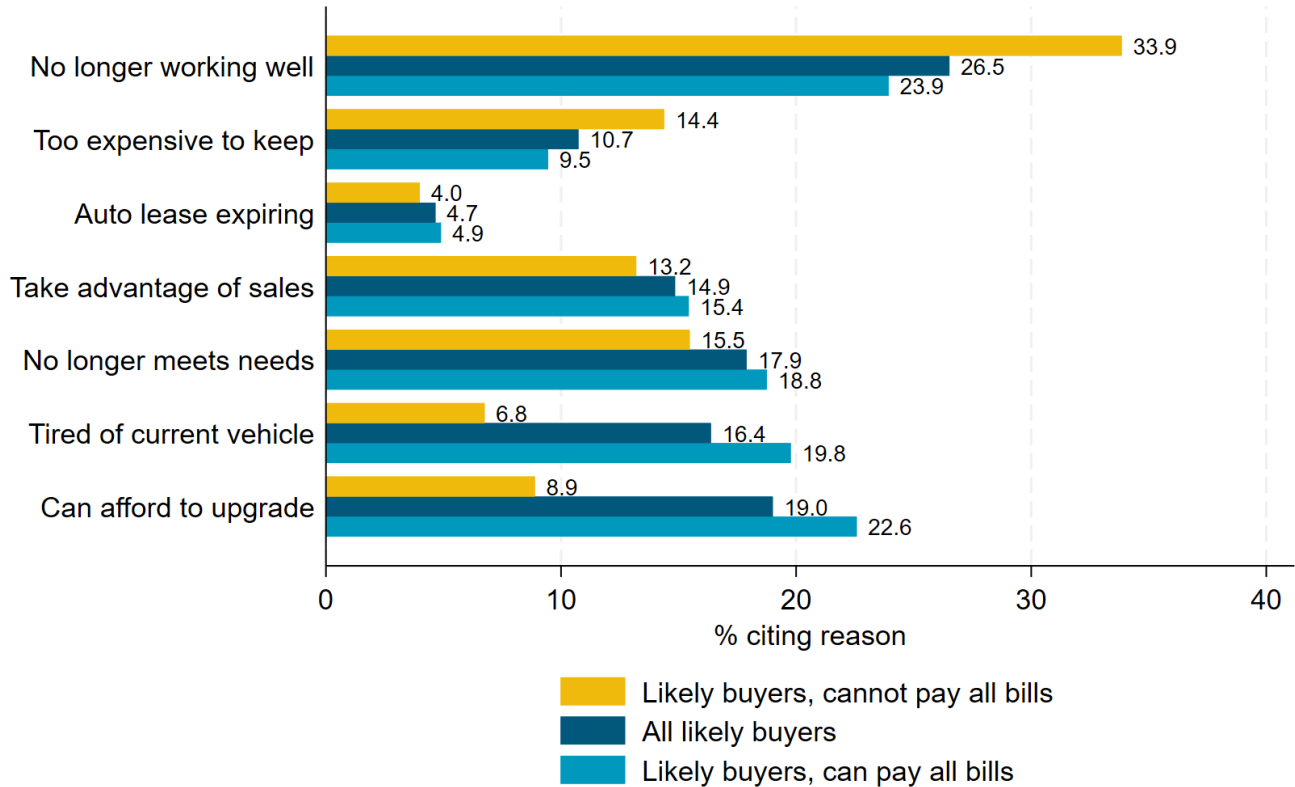
Figure 1. Vehicle-Buying Intentions in April 2023 vs. April 2026, by Respondent Characteristics



Notes: This figure displays the proportion of respondents in the April 2023 and April 2026 LIFE Surveys who responded they intend to purchase a new or used vehicle in the next three months. Income is captured as self-reported personal income from the previous year. Financial security is respondents' perceptions of how their financial security has changed in the last year.

For those respondents who indicated they were likely to purchase a vehicle (“likely buyers”), **Figure 2** presents the reasons they provided for considering a purchase, separated by all likely buyers (dark blue), those who cannot pay all of their monthly bills on time (yellow), and those who can pay their bills on time (light blue). Among those intending to purchase a vehicle in the next three months, respondents were most likely to say their current vehicle was no longer working well (26.5 percent). Sharp differences in purchase motivation emerge, however, between those who can and cannot pay all their bills on time. Respondents who cannot pay all their bills are much more likely to cite a failing vehicle (33.9 versus 23.9 percent) or one that is too expensive to keep (14.4 versus 9.5 percent). Those who can pay all their bills on time are much more likely to say they are tired of their current vehicle (19.8 versus 6.8 percent) or can afford to upgrade (22.6 versus 8.9 percent). Thus, the same decision (to purchase or not) is being made for different reasons depending on the respondent’s overall financial health.

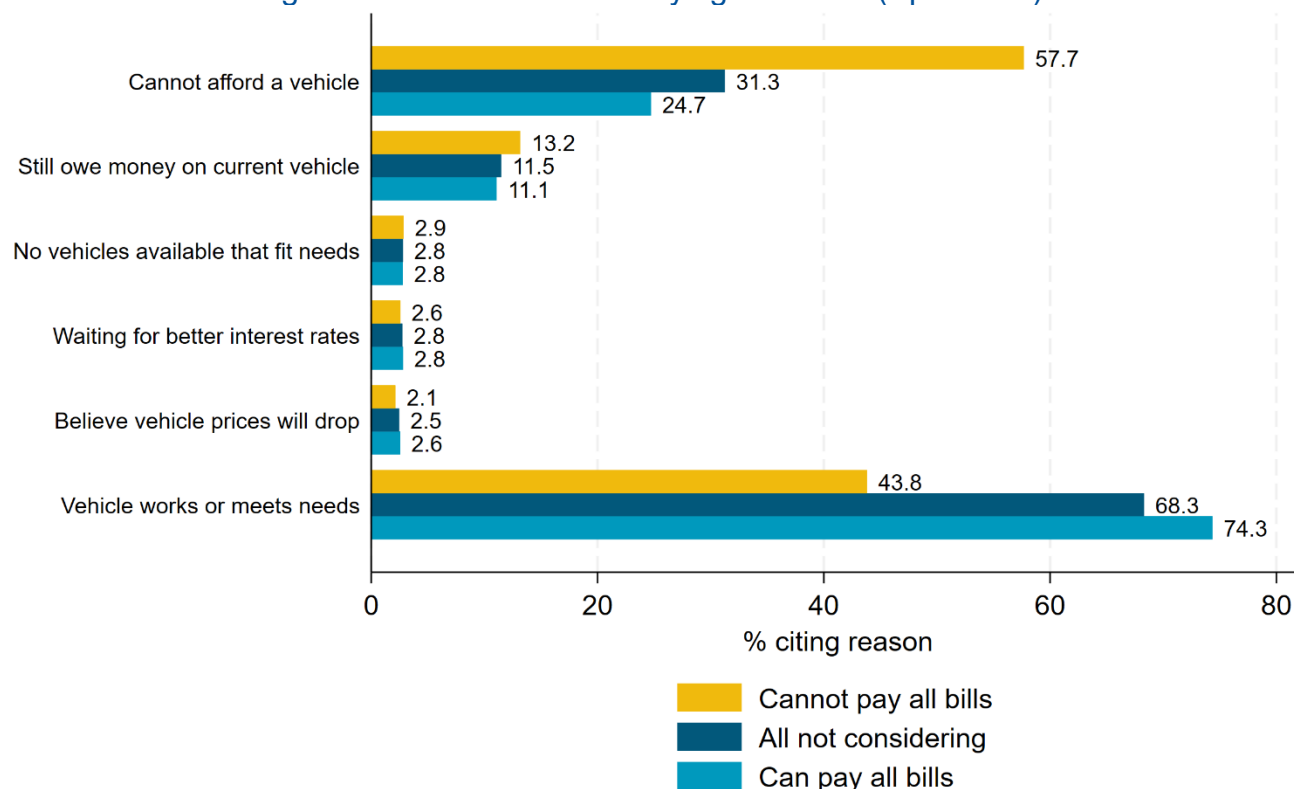
Figure 2. Likely Vehicle Buyers' Reasons for Considering a Purchase (April 2026)



Notes: This figure plots the reasons survey respondents report considering purchasing a new or used vehicle, restricted to the sample who intend to purchase a vehicle in the next three months. Data are from the April 2026 LIFE Survey. Answer choices are not mutually exclusive, and they are sorted in the chart by the gap between the cannot-pay and the can-pay groups of respondents.

Figure 3 presents the reasons people are avoiding a vehicle purchase, again broken out by ability to pay bills. For respondents who do not plan on purchasing a vehicle in the next three months, about two-thirds say their current vehicle works fine or adequately meets their transportation needs. This reason was much more likely to be cited by respondents able to pay all their bills on time compared with those unable to do so (74.3 versus 43.8 percent). On the other hand, respondents who cannot pay all their bills on time are much more likely to say they cannot afford to buy a vehicle (57.7 versus 24.7 percent). About 11.5 percent of respondents mentioned not wanting to buy because they still owe money on their current vehicle. Only small shares of respondents who aren't planning to buy cars reported that this was because there were no available vehicles that fit their needs, they were waiting on lower interest rates, or they thought vehicle prices would drop.

Figure 3. Reasons for Not Buying a Vehicle (April 2026)

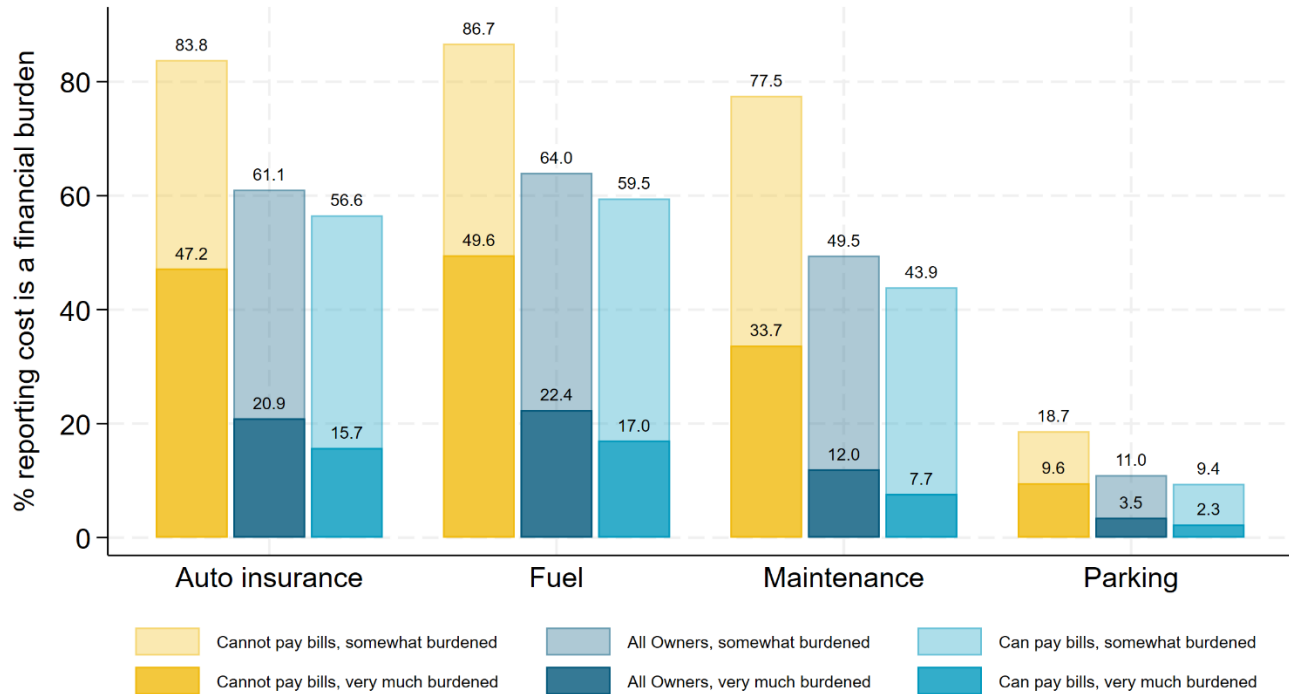


Notes: This figure plots the reasons respondents gave for not considering purchasing a vehicle, conditional on indicating that they did not plan to buy a vehicle or were not sure in the next three months. Answer choices are not mutually exclusive, and they are sorted in the chart by the gap between the cannot-pay and the can-pay groups of respondents.

## Auto Ownership Costs

Aside from auto loan payments, auto ownership costs also place a considerable financial strain on individuals' finances, particularly for those who are struggling to pay their bills (**Figure 4**). The most challenging costs for respondents are fuel and auto insurance, although maintenance costs are also a severe burden for 12 percent of respondents who own vehicles (and 34 percent of vehicle owners who struggle to pay their bills). LIFE Survey results from December 2024 showed auto insurance premium increases were pervasive for most demographic groups (Akana 2025). The April 2026 wave is the first LIFE survey to ask about fuel costs as a financial burden. Data were collected during the onset of the U.S. conflict in Iran and the corresponding spike in gas prices, which likely influenced responses. Respondents did not seem to view those higher costs as temporary, however. When separately asked about how they expect fuel prices to change, 66 percent of all respondents expected prices to be even higher six months later, and 62 percent expected prices to be higher twelve months in the future.

Figure 4. Vehicle-Related Cost Burdens by Intensity and Owners' Ability to Pay Other Bills (April 2026)



Notes: This figure plots the share of respondents who own vehicles who report that each type of cost — insurance, fuel (cost of gas or charging), regular maintenance (such as changing oil or brakes), and parking or vehicle storage — is “very much a financial burden” or “somewhat of a financial burden,” rather than “not very much of a financial burden” or “not at all a financial burden.” The total height of the bar is the sum of the shares of all respondents who either said they are somewhat or very much burdened. Within each cost category, bars represent all respondents (dark blue), those who cannot pay all of their bills (yellow), and those who can pay their bills (light blue). The question is asked only of those who are responsible for some or all of the costs of owning a vehicle.

## Conclusion

Having access to a vehicle remains a necessity for most Americans, but the costs of owning, maintaining, and replacing one have increased. The majority of LIFE Survey respondents report that vehicle-related costs are financially challenging, and about one in five report that auto insurance and fuel costs are significant burdens for their households. Survey evidence suggests that owners may be planning to keep their vehicles on the road longer than before. Whereas in April 2023, 20.9 percent of respondents intended to purchase a vehicle in the next six months, in April 2026, just 13.9 percent intended to do so. Diminished buying intentions spanned all income groups and were particularly large among the youngest respondents (aged 18 to 35).

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