

2023 STATE OF THE AMERICAN DRIVER



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EXECUTIVE SUMMARY

In 2022, American drivers navigated a second full year of the new economic landscape that has defined the COVID-19 era so far: supply-chain disruptions, shortages of new vehicles, soaring used-car prices, and higher interest rates meant to tame the strongest overall inflation in decades. The bottom line was that Americans were forced to stretch their budgets even thinner in 2022 and the cost of car ownership was a big reason why.

In compiling the 2023 State of the American Driver report, Jerry surveyed more than 1,200 drivers from all 50 states and across generations. This year's report offers key insights into Americans' preferences when buying and selling cars, the financial burden many must take on to own a car, their attitudes toward electric vehicles (EVs), their commuting habits, and their views on road safety.

At Jerry, our mission is to make it really easy for drivers to save time and money on car expenses. This annual report is a product of our commitment to explore the economic, informational and safety challenges facing drivers. Millions of customers used Jerry to search for car insurance and auto refinancing savings in 2022. We plan to help people save even more as we expand our super app for car ownership into other areas, including driving safety, vehicle maintenance and more.

KEY FINDINGS

- A third of drivers surveyed who bought a vehicle in 2022 said they **ended up buying used instead of new** because of limited supply. A quarter said they bought a make or model that wasn't their first choice.
- About **a quarter of drivers said they plan to shop for a new or used vehicle in 2023**, similar to numbers seen a year earlier. About half of respondents said they didn't plan to shop for a new vehicle at all, and others said lower prices and interest rates would change their mind.
- Nearly a quarter of American drivers **spend more than 15% of their take-home pay on car payments**. About two-thirds said the cost of owning a car forced them to cut spending in other areas in 2022. **A quarter said they cut back on groceries**, while nearly a third spent less on family vacations.
- Rising car insurance premiums forced nearly a quarter of Americans to take out less coverage than they wanted in 2022. Yet **63% didn't shop around for better deals**.
- After a year in which gas prices reached a record high, nearly half **(49%) of American drivers said they were interested in getting an EV** as their next vehicle, up from 39% in 2021. Saving money on gas remains the most commonly cited reason for their interest in EVs.
- **Tesla remains the top choice of EV among American drivers**, but about two-thirds say another brand would now be their first choice. Ford, Chevrolet and Hyundai are the top picks after Tesla.
- Still, a slight **majority of Americans (51%) say they have no interest in buying or leasing an EV for their next vehicle**, pointing to the inconvenience of charging and high vehicle prices as their top reasons.
- Nearly a third of Americans say **driving has become more dangerous since COVID**. In 2022, nearly one in five witnessed a driver get out of their car to confront someone in another vehicle. In states where it is legal, one in five men and nearly one in 10 women say they sometimes keep a loaded handgun within reach while driving.




**BUYING
&
SELLING**



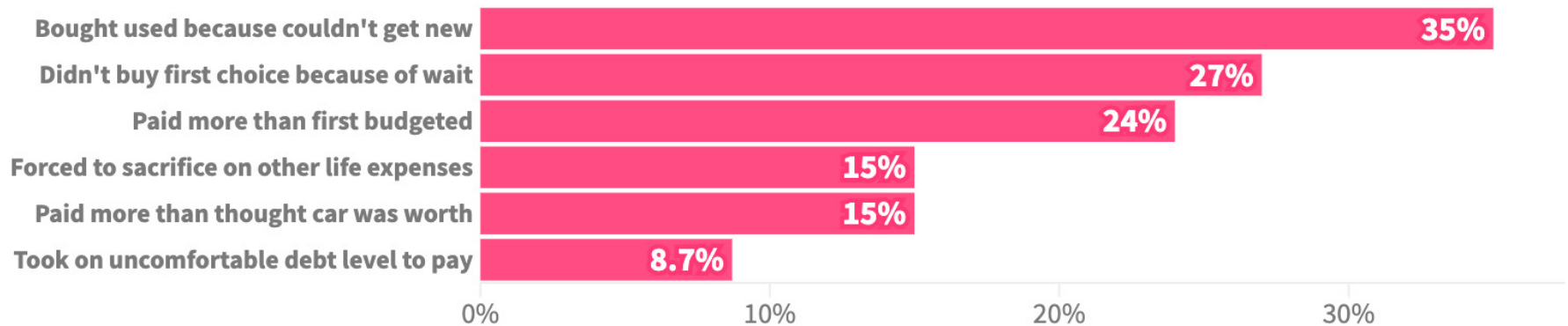
CAR BUYING TODAY

Another Tough Year

It was another year of limited, often-painful choices for car buyers in 2022 as the effects of the pandemic-driven supply-chain disruptions lingered. The effects included a shortage of new vehicles, long wait times for the new models that did eventually arrive at dealerships, and dramatically higher prices for used cars as many buyers were left with little choice but to walk away from the new-car market.

The Pain of Car Buying in 2022

Percentage of people who bought a new or used vehicle in 2022 and said they...



CAR BUYING TODAY

Those conditions drove away many would-be buyers entirely. **Only 9 percent of American drivers reported buying their vehicle in 2022, versus 11% in 2021 and 12% in 2020.** Nearly two-thirds (63%) of those who backed away from buying cited high vehicle prices as one reason, while 25% said they couldn't find a vehicle they liked and 22% said interest rates were too high.

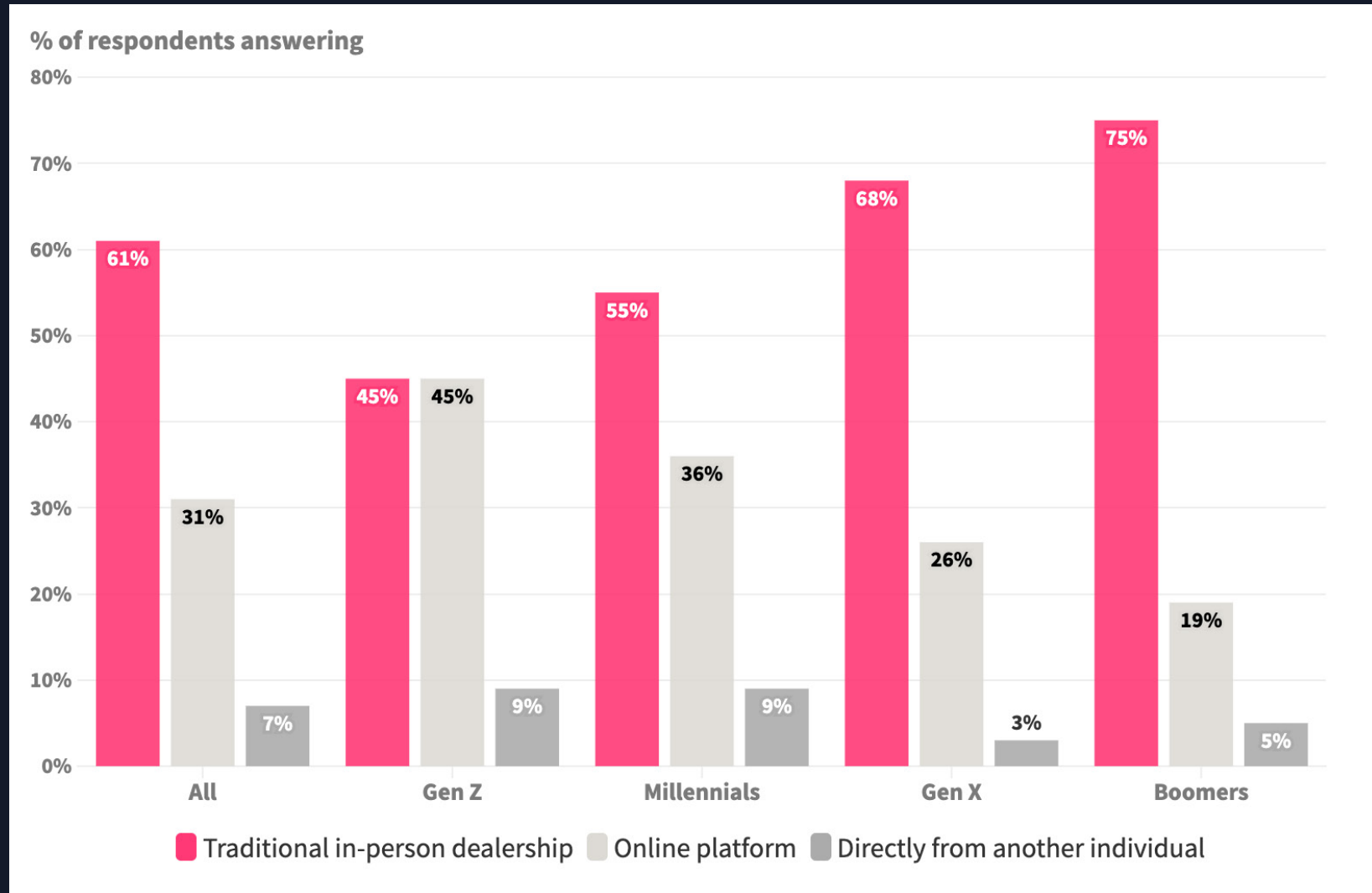
Still, a third of American drivers have bought or leased a car since 2020 and half have done so in the past five years. Members of Gen Z, born since 1997, have been the most active buyers since the outbreak of COVID. **Forty-four percent of Gen Z have bought or leased a vehicle since 2020, with 19% doing so in 2020 alone.** That was up from 7.8% in 2019, indicating that rock-bottom interest rates and government stimulus checks in 2020 played a role in getting many members of Gen Z into cars.

2023 Outlook

Looking ahead, **24% of American drivers said they intend to shop for a car in 2023,** while 49% said they don't plan to do so at all. Of those who said they don't plan to shop for a car in 2023, high vehicle prices and interest rates were among their biggest concerns.

Preferred Method of Car Buying

If you plan to buy a new or used vehicle in 2023, what would be your preferred method of buying?




**COST OF
OWNERSHIP**



COST OF OWNERSHIP

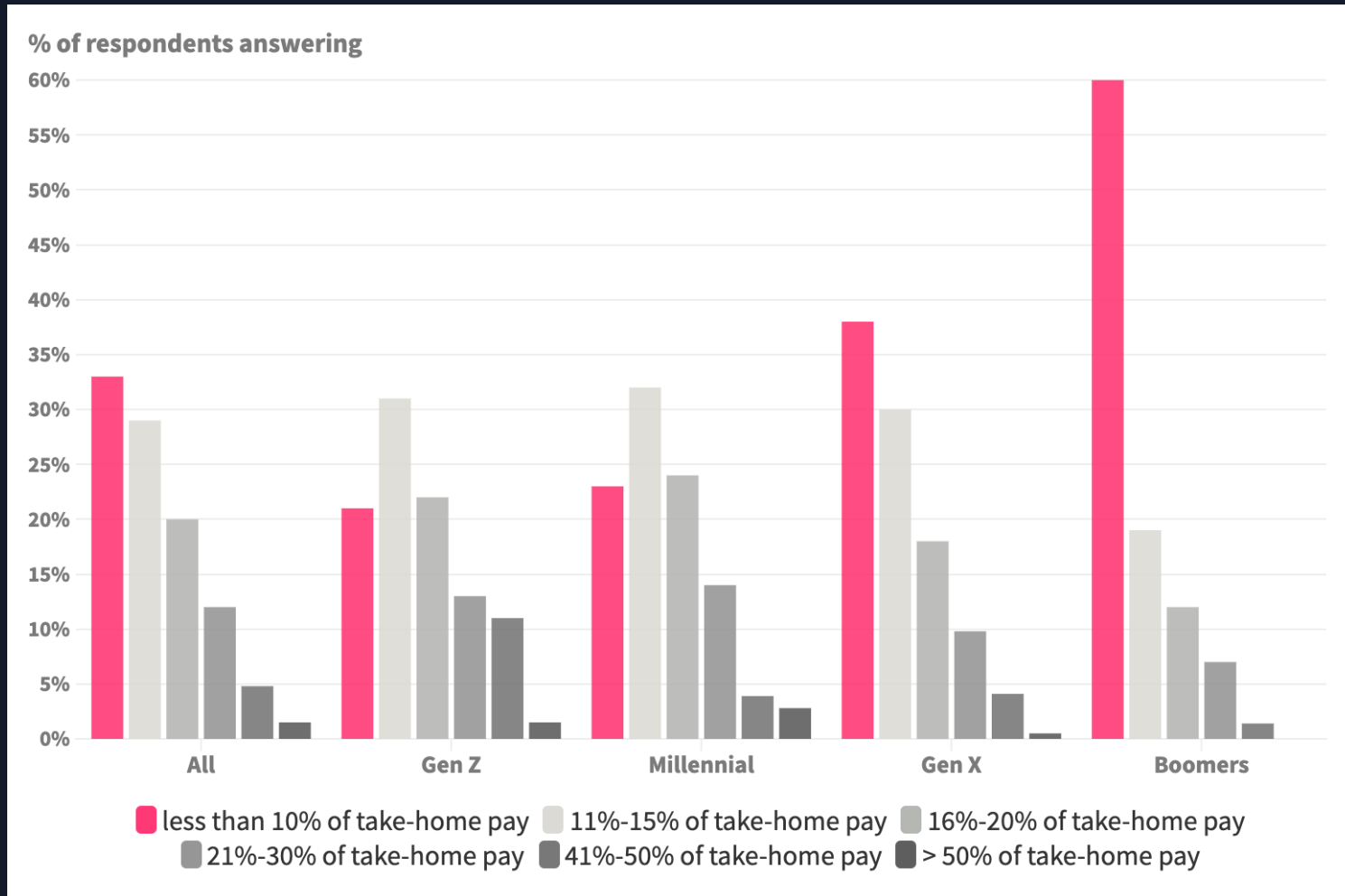
Many Americans struggled with the cost of car ownership even before COVID. While vehicle prices had remained [remarkably flat](#) for years, even lagging growth in household incomes, soaring prices for health care, housing and food left less money for car payments and other car ownership costs such as gas, maintenance and repairs, and vehicle insurance.

Pandemic-era vehicle price increases have added to [their struggles](#). Financial advisers generally say you shouldn't spend more than 10%-15% of your after-tax income on a car payment. But in 2022, nearly a quarter of American drivers (23%) spent more than 15% of their after-tax household income on car loan or lease payments. One in 10 paid more than 20%.

That means many people have been forced to cut spending in other areas, including groceries, clothing and family vacations. And a quarter of respondents said car ownership costs made them more than 30 days late on at least one debt or rent payment in 2022. The number was much higher for Gen Z (53%) and Millennials (33%).

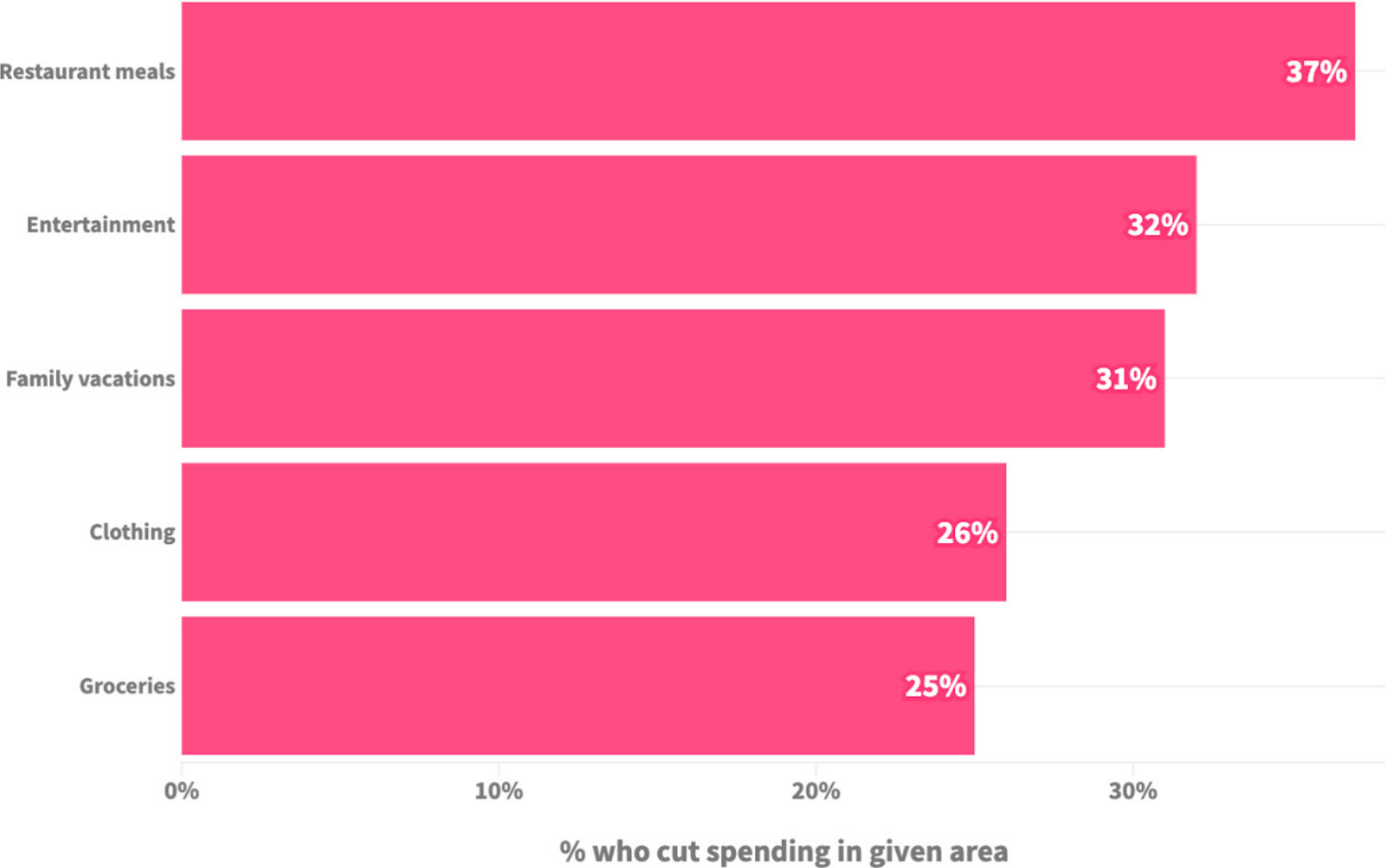
Shelling Out

How much of your household's take-home pay goes to monthly auto loan or lease payments?



Balancing Act

Rising car ownership expenses forced many Americans to cut spending in other areas



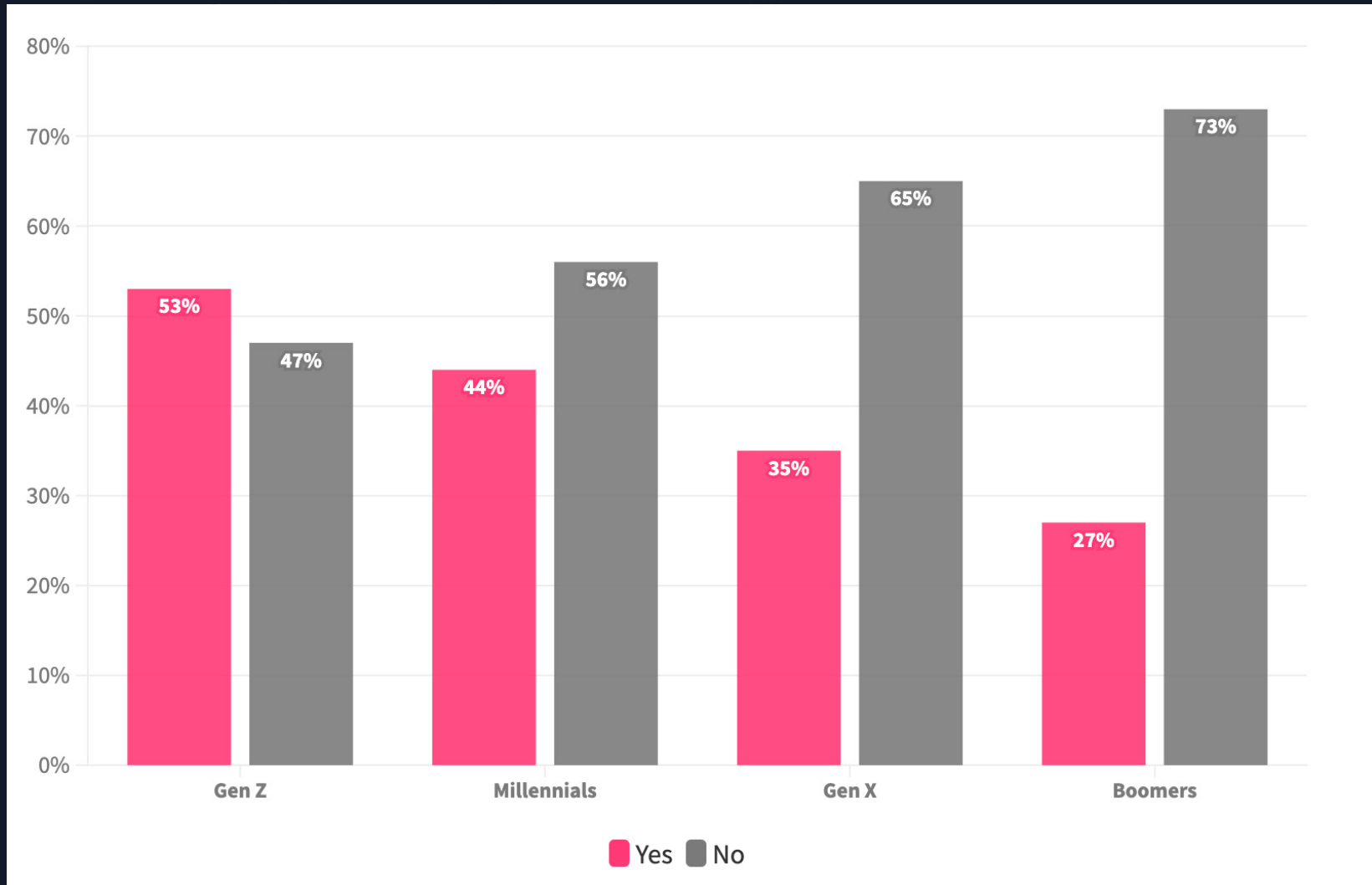
COST OF OWNERSHIP

Despite the surge in used car prices over the past couple of years, no car-related expense has risen more over the past decade than [insurance](#). Nearly a quarter (23%) of American drivers said they took out less coverage than they wanted in 2022 because of rising premiums. Again, younger generations were hit harder. Half of Gen Z and 31% of Millennials said they were forced to sacrifice coverage to afford their payments.

Yet 63% of American drivers did not shop around for car insurance in 2022. Younger generations were more likely to do so than Gen Xers and Boomers. A majority of Boomers (58%) and about half of Gen X (49%) have had their current car insurance policy for more than five years.

Price Shopping

The percentage of people in each generation who shopped around for vehicle insurance in 2022





ELECTRIC VEHICLE OUTLOOK

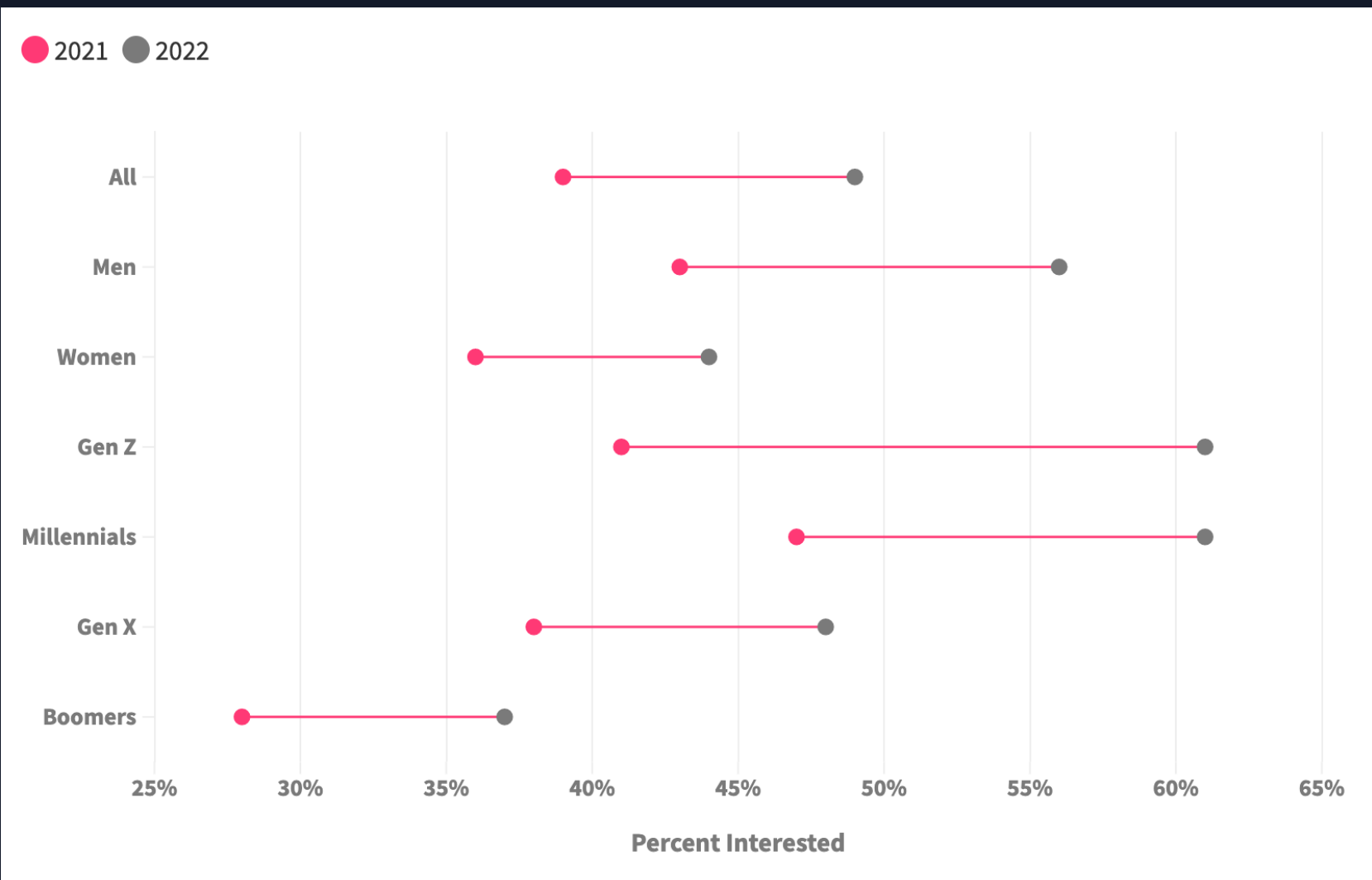


ELECTRIC VEHICLE OUTLOOK

Perhaps no event in 2022 signaled the potential of EVs to go mainstream in the U.S. more than the introduction of an EV version of America's best-selling pickup truck, the Ford F-150 Lightning. But while the Lightning turned plenty of heads, months of [record-high gas prices](#) did more to generate growing interest in EVs than anything else in 2022. About half of American drivers (49%) say they are now interested in buying or leasing an EV as their next vehicle, up from 39% a year earlier.

Surging EV Interest

More people expressed interest in buying an EV as their next car in 2022 than in 2021



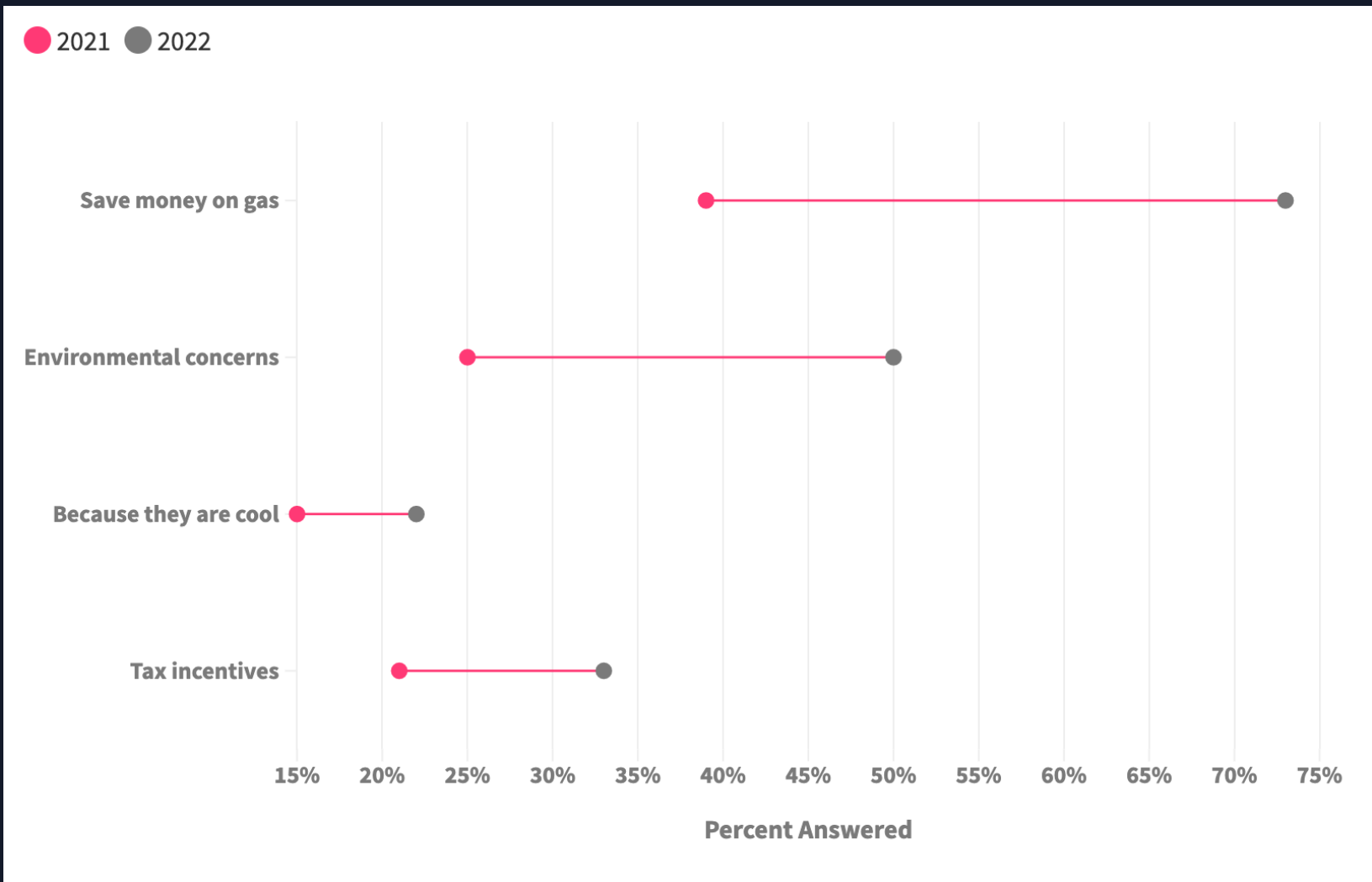
ELECTRIC VEHICLE OUTLOOK

It wasn't just gas prices, though. Compared with last year, more people also cited concerns about the environment, new tax incentives and EVs being "cool" as reasons for their interest. By generation, 66% of Boomers cited concerns about the environment, versus 49% of Gen X, 47% of Millennials and just 35% of Gen Z. On the other hand, 44% of Gen Z cited the cool factor, versus 29% of Millennials, 14% of Gen X and just 7% of Boomers.

Curiously, 38% of Boomers answered that "most cars will be EVs soon," compared to just 15% of Gen Z and 21% of Millennials. Perhaps that's because Boomers have seen more mass adoption of cutting-edge technology over their lifetimes.

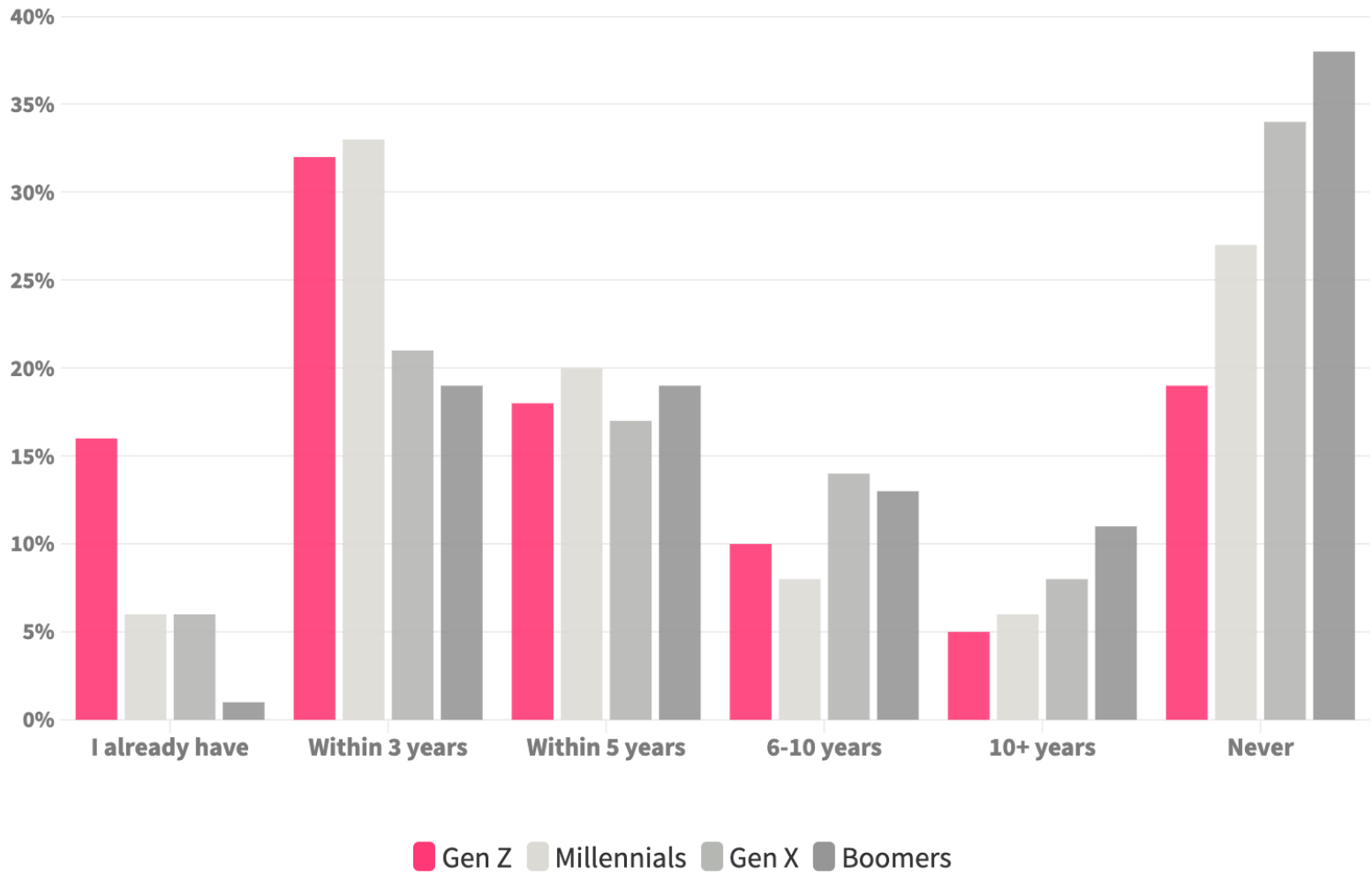
Reasons for EV Interest

Why are you interested in buying or leasing an EV as your next vehicle?



Countdown to EVs

When do you expect to buy or lease your first EV?

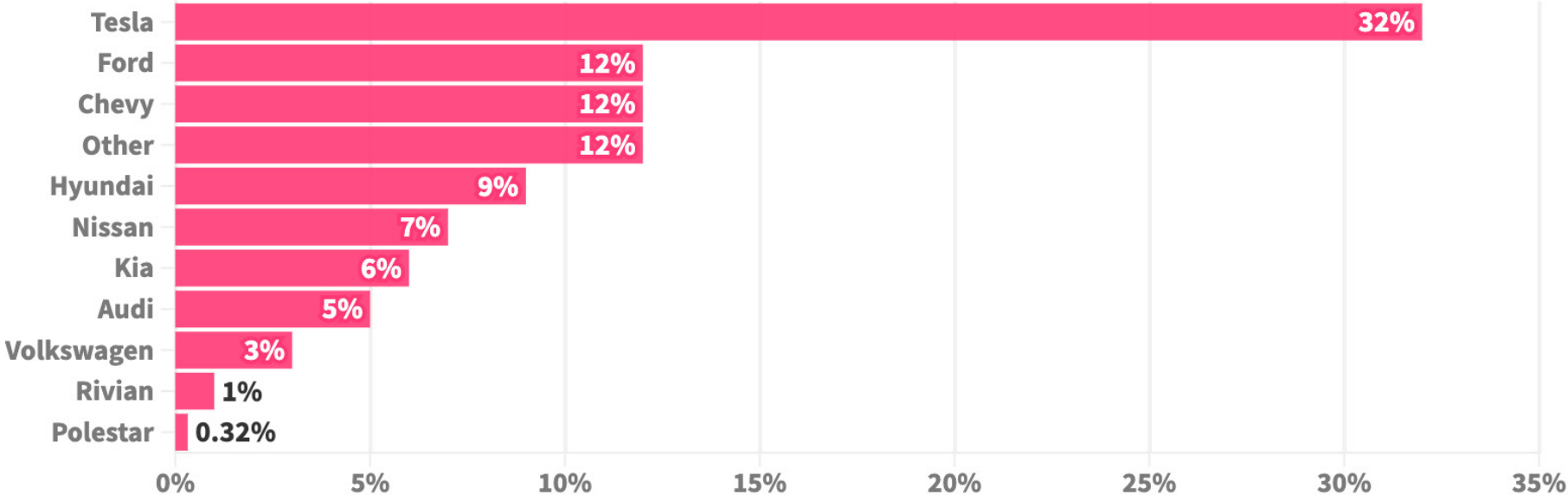


ELECTRIC VEHICLE OUTLOOK

Tesla accounted for 68% of EV registrations in the U.S. during the first half of 2022, so it is clearly still the hottest brand in the EV market. But its market share has been sliding. About two-thirds of American drivers say another brand would now be their first choice. Ford, Chevrolet and Hyundai are the top picks after Tesla.

Choice of EV Brands

If you plan to buy an EV in 2023, what brand are you most likely to choose?






**DRIVER
SAFETY**



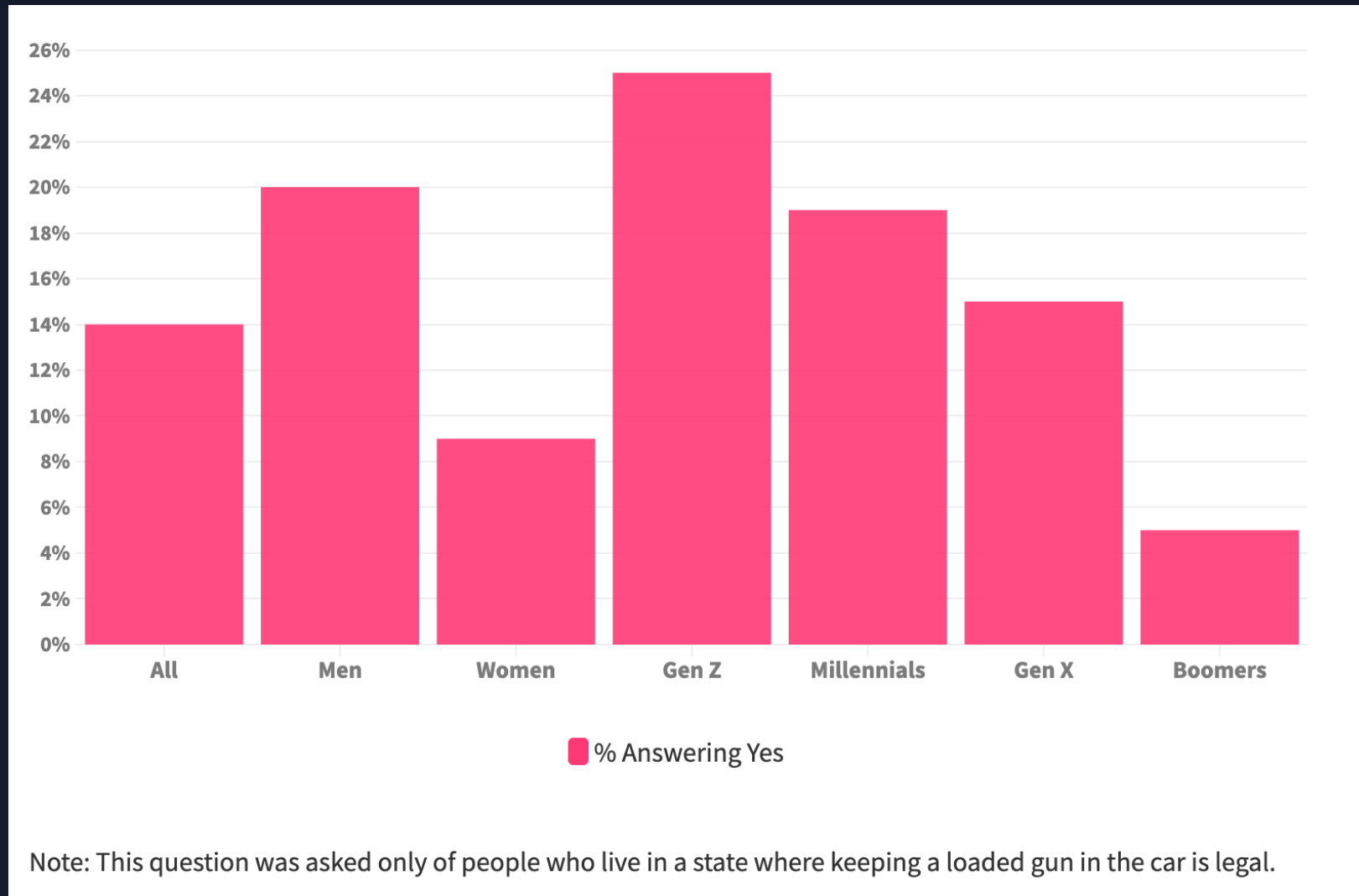
DRIVER SAFETY

The number of people killed in traffic accidents in the U.S. has jumped dramatically since the outbreak of COVID, rising 18% from 2019 to 2021, as speeding and reckless driving become more common. Meanwhile, the number of [road rage shootings](#) has doubled in recent years, and 35 states now allow residents to carry loaded handguns in their cars without any special permit or formal training. It all adds up to growing risks and uneasiness on the road.

Nearly one third of American drivers (31%) say driving has become more dangerous since COVID. That includes 41% of Gen Z respondents. Nearly one in five (18%) say they witnessed one vehicle chase another over the past year, and 17% say they saw a driver leave their vehicle to confront someone. Four percent say they witnessed someone firing a gun in a road rage incident.

Loaded Weapon

Do you ever keep a loaded handgun within reach while driving?

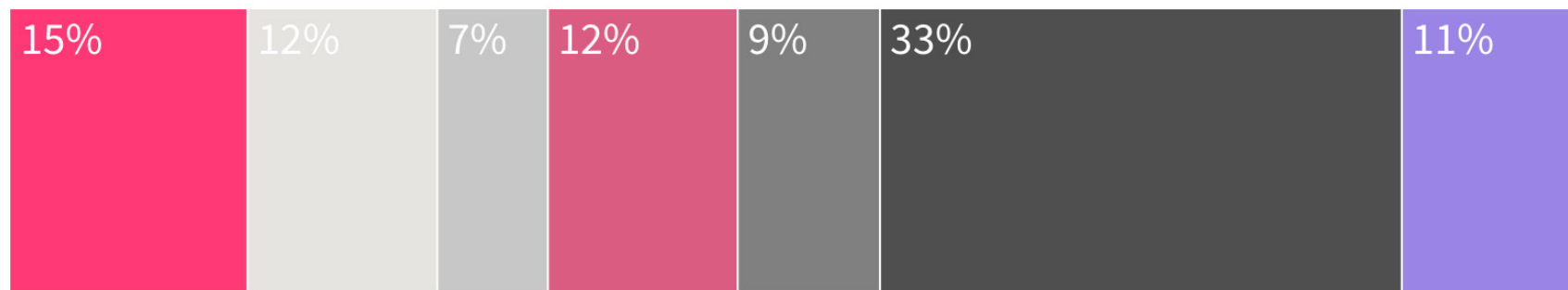


Commuting

Nearly three years into the pandemic many workers are returning to their offices. Yet only 47% of workers say they are commuting the same number of days as before the pandemic. More than a third (38%) say they are commuting fewer days or don't have to commute at all, while 14% say they are commuting more. By generation, 18% of Gen X workers and 30% of Boomers say they don't have to commute at all, versus 7% of Gen Z and Millennial employees.

One third of workers commute two days a week or less, while 44% say they commute five days a week or more.

Days of Commuting Each Week



Zero days 1 2 3 4 5 5+

CONCLUSION

Americans are struggling with the rising cost of car ownership. Pandemic-driven supply-chain disruptions have pushed vehicle prices sharply higher, and while they have begun to fall a bit, they remain much higher than they were a few years ago. In 2022, record-high gas prices and sharply higher interest rates made things worse at a time when overall inflation hit the highest level in four decades. More than a quarter of American drivers now pay more than 15% of their after-tax income just on their car payment alone, before paying for insurance, gas and maintenance.

In 2023, slightly less than a quarter of American drivers intend to car shop, with vehicle prices and interest rates being the biggest obstacles for those not planning to shop. There is also stronger interest among all demographics in buying an EV, but about half of American drivers still say EVs aren't for them.

As car ownership costs rise, our mission of saving customers time and money on all areas of car ownership becomes even more meaningful. For more insights on car ownership costs, data and trends, visit getjerry.com/data-and-studies.

METHODOLOGY

- Jerry's 2023 State of the American Driver report is based on data from a nationally representative survey of 1,257 respondents conducted in November 2022 using a platform and audience from Pollfish.
- Results were filtered to include only respondents who own or lease a vehicle and drive regularly, and were blended for age, gender and state. More information about Pollfish and its audiences can be found on its website.

