U.S. Consumers spent an Average of Nearly $2,000 on Vehicle Repairs and Maintenance in the Last Five Years, Ally Survey Finds

Millennials and Gen Z hit harder by repair bills at time when many consumers may struggle to cover unexpected costs



- **Click to View VNR**

DETROIT, Aug. 26, 2019 /PRNewswire/ -- On average, Americans spent$1,986 on vehicle repairs and maintenance in the last five years, according to a recent Ally survey conducted online by The Harris Poll among 2,012 U.S. adults.

Millennials and Generation Z (ages 18-34 for this survey) paid an average of$2,334 for vehicle maintenance and repairs in the past five years—a significantly higher financial burden than baby boomers and older adults. In comparison, adults 55 and older spent $1,654, on average, during the same timeframe.

Ally's survey results come on the heels ofresearch from the Federal Reserve that found that nearly 4 in 10 adults would not be able to cover unexpected expenses of $400 without selling something or going into debt.

"Many Americans rely on their cars to get to work and losing access to your vehicle can be a major disruption and huge source of stress—particularly if you can't cover the repair cost," said Mark Manzo, President of Insurance at Ally Financial. "The financial strain can be even more daunting for young people who are early in their careers and may be paying down student loan debt as well."

And when it comes to savings, younger adults are at a disadvantage. Anotherrecent Ally survey found that two-thirds of 18- to 24-year-olds have not established any type of emergency savings fund, compared to approximately half of all other adults.

Ally's latest survey findings uncovered significant differences in expenses by age and family size, suggesting that not all Americans share in repair costs evenly:

- Younger people paid nearly $700 more in car repairs and maintenance, on average, than Americans aged 55 and older during the last five years. The survey found that, on average, U.S. adults:
  - 18-34 spent $2,334
  - 35-44 spent $1,978
  - 45-54 spent $2,135
  - 55 and older spent $1,654
- On average, households with children under 18 paid$347 more in car repairs and maintenance over the past five years than households without children ($2,201 vs. $1,854), suggesting that the expense of raising a family may be compounded by additional repair and maintenance costs.

"Unfortunately, there are too many Americans who are just one unexpected repair bill away from being forced to make tough financial decisions," added Manzo. "What's more, many of these drivers aren't aware of options, like vehicle service contacts, to make their repair costs more predictable."

The Ally survey also found that only 21% of Americans have purchased a vehicle service contract (VSC) or extended warranty in th last five years. VSCs are auto protection products that cover expenses such as repairs and replacement parts. Ally Premier

Protection vehicle service contracts cover over 7,500 vehicle components and offer additional benefits including rental reimbursement, roadside assistance and reimbursement for trip interruption caused by a breakdown. Levels of coverage vary by plan.

Additionally, VSCs can be used to manage repair costs over an extended period of time, making these expenses more predictable and easier to fit into a household budget. When buying a new or used car from an auto dealer, VSCs can be financed as part of the monthly car loan payment. To help consumers make the most of their money, Ally provides information on vehicle service contracts, savings strategies and tools for starting an emergency fund.

Click here to view a short video on the survey.

Methodology: The survey was conducted online by The Harris Poll on behalf of Ally Financial fromMay 7-9, 2019, among 2,012 U.S. adults ages 18 and older. This online survey is not based on a probability sample therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variable and subgroup sample sizes, please contact Ally Financial public relations.

About Ally Financial Inc.

Ally Financial Inc. (NYSE: ALLY) is a leading digital financial-services company with$180.4 billion in assets as ofJune 30, 2019. As a customer-centric company with passionate customer service and innovative financial solutions, we are relentlessly focused on "Doing It Right" and being a trusted financial-services provider to our consumer, commercial, and corporate customers. We are one of the largest full-service automotive-finance operations in the country and offer a wide range of financial services and insurance products to automotive dealerships and consumers. Our award-winning online bank (Ally Bank, Member FDIC and Equal Housing Lender) offers mortgage-lending services and a variety of deposit and other banking products, including savings, money-market, an checking accounts, certificates of deposit (CDs), and individual retirement accounts (IRAs). Additionally, we offer securities-brokerage and investment-advisory services through Ally Invest. Our robust corporate finance business offers capital for equity sponsors and middle-market companies.

For more information and disclosures about Ally, visithttps://www.ally.com/#disclosures.

Media Contacts:

Ann Smith
Ally Financial
313-656-5881
ann.smith@ally.com

SOURCE Ally Financial

Additional assets available online: Photos (2)

https://media.ally.com/2019-08-26-U-S-Consumers-spent-an-Average-of-Nearly-2-000-on-Vehicle-Repairs-and-Maintenance-in-the-Last-Five-Years-Ally-Survey-Finds