## ConsumerAffairs and Auto Approve Identify the States With the Most Car-Poor Drivers in America

New joint report analyzes data from more than 38,000 vehicle owners seeking to refinance, revealing a stark regional divide in auto loan affordability

**TULSA, Okla., June 24, 2026 – ConsumerAffairs**, a trusted online resource for consumer reviews, and **Auto Approve**, an auto loan refinancing company, today released a joint report identifying the states with the most financially strained car owners in America. The analysis — based on data from over 38,000 vehicle owners who submitted refinancing inquiries between November 2024 and May 2026 — reveals that car payment burdens fall disproportionately on drivers in the South, where lower incomes amplify the weight of high monthly payments and steep interest rates.

### Key findings

- **Mississippi ranks No. 1 for car-poor drivers.** Residents seeking to refinance report spending 16.8% of their income on car payments — one of the highest percentages in the nation — with a median APR of nearly 15.6%.
- **West Virginia ranks No. 2,** with drivers carrying the nation's longest median loan term at 81 months.
- **Nine of the 10 most car-poor states are in the South,** where self-reported median incomes range from $48,000 to $51,000 annually — as much as 11% below the overall median among refinancing borrowers.
- **Minnesota** is the least car-poor state, with borrowers reporting a median car payment of $610 and a median monthly income of $5,000.
- **Alaska and North Dakota** tie for the highest share of borrowers making monthly payments over $1,000 at 16.5% each — higher than California or New York.

### What to do if your car payment is too high

"Almost always, it comes down to focusing on the monthly payment instead of the total cost of the loan," said Pete Wright, the chief marketing officer at Auto Approve. "Dealerships are skilled at anchoring buyers on 'can you afford $X per month?' which shifts attention away from the interest rate, term length and total interest paid." He added that dealers can mark up rates from what a lender originally approved — meaning a buyer who qualifies for 5% may drive off the lot at 7% or 8% without ever realizing the difference.

The report offers actionable guidance for drivers struggling with their car payments:

**1. Honestly evaluate your situation.** Is the issue a temporary income dip or a loan that never fit the budget? The answer shapes which solutions make sense.

**2. Explore refinancing.** Borrowers who refinanced in Q2 2025 lowered their interest rate from an average of 10.45% to 8.45%, according to Auto Approve. Refinancing tends to make the most sense starting 10 months after loan origination, especially if credit has improved.

**3. Consider other options.** Selling the vehicle, trading into a less expensive model or restructuring other debts may offer relief. Voluntary surrender or repossession should be a last resort — the credit damage can restrict financial options for years.

**4. Think carefully before buying.** "Being approved for a vehicle and being able to comfortably afford the vehicle are two very different things," said Ashley Morgan, a debt and bankruptcy lawyer. "A car payment should support your financial life, not control it." Total transportation costs should represent no more than 15% to 20% of take-home pay.

### Methodology

ConsumerAffairs partnered with Auto Approve to conduct this analysis using data from 38,064 consumers who submitted auto loan refinancing inquiries through Auto Approve's platform between November 1, 2024 and May 14, 2026. Respondents represented all 50 states and Washington, D.C. After outlier removal, state-level sample sizes ranged from 285 to 999.

Rankings were built using three weighted metrics:

- **Car payment cost burden (50% weight):** The share of median reported income consumed by the median monthly car payment. States with higher percentages received higher scores.
- **Median APR (25% weight):** States with higher median rates received higher scores.
- **Median loan term (25% weight):** States with longer median loan terms received higher scores.

Each metric was scored relative to the state with the highest value, and scores were summed for an overall ranking out of 100. Supplementary data from the Federal Reserve Bank of New York on auto debt balances and delinquency rates, and FICO score data from Experian, were used for context but not included in the overall ranking.

## About ConsumerAffairs

Big buying decisions are never easy, especially with major life changes. Shifts in finances, family needs, housing or a loved one's health can lead consumers into unfamiliar purchasing decisions. That's where ConsumerAffairs comes in. We give consumers a buying advantage when they need it most by connecting them to trusted brands, backed by verified reviews from real customers.

## About Auto Approve

Auto Approve is an auto loan refinancing company that helps vehicle owners lower their monthly car payments and interest rates. By connecting borrowers with a network of lenders, Auto Approve simplifies the refinancing process and works to improve financial outcomes for drivers across the country.

**Media Contact:**
Jailyn Rodriguez
Senior Digital Public Relations Strategist
jrodriguez@consumeraffairs.com
www.consumeraffairs.com

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