Why People Actually Borrow: The Six Reasons Behind Short-Term Loans

Payday loans are rarely about wants. We asked what the money was really for — and which reasons end worst.

6 reasons tracked	**Unexpected bill** most common reason	**27.6** its share of all borrowing, %
Unexpected bill highest regret reason	**Unexpected bill** highest rollover reason	

The numbers

Every surveyed borrower picked one main reason. Ranked by how common it is.

Reason for borrowing	Share of all borrowers, %	Respondents	Would NOT do it again, %	Fell into rollovers, %	Median fees paid, $
Unexpected bill	27.6	3322	40.0	41.9	70
Rent or utility gap	24.2	2919	37.9	38.4	59
Car repair	18.2	2198	35.1	38.1	55
Medical bill	13.7	1653	36.8	41.7	58
Groceries and essentials	10.3	1239	27.2	27.7	41
Other	5.9	716	25.2	29.0	45

How we counted

- Borrowers picked the single main reason they took the loan.
- Regret and rollover shares are averaged across states with at least 20 respondents in that group.

Data updated 2026-07-31. Full dataset in CSV at https://fenixloans.com/research/why-people-borrow/data.csv

How to cite

Fenixloans, “Why People Actually Borrow: The Six Reasons Behind Short-Term Loans”, 2026. Available at https://fenixloans.com/research/why-people-borrow/