

BUYING A CAR

Before making such a major purchase as a car, you will have to consider your needs, preferences, and your budget. You will not only have to plan for the purchase and the costs of putting a car on the road, but also for its maintenance.

Purchasing

Evaluate your income, savings, and expenses. How much do you think you could afford to spend for the purchase of a car? (If you are not ready to buy a car yet but are interested in buying one in the future, estimate how much money you would need in order to buy a reliable car and develop a savings plan accordingly).

I could/would spend:

Explain your estimate:

If you need to borrow money, where could you borrow it and how much will your down payment be?

How much would you have to pay in sales tax (5% of purchase) ?

In summary, I could spend \$ _____ on the purchase of a car, including sales tax?

Now that you have established how much money you can spend for the purchase of a car, you can determine what kind of car you might be interested in.



ACTIVITY

To help you think about what type of car would be best for you, think about the following questions.

1. What Would I Use the Car For?	<i>Almost Never</i>	<i>Sometimes</i>	<i>Most of the Time</i>
a. Riding Alone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Carrying One Passenger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Carrying More Than One Passenger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Driving Long Distances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Driving in the City	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Transporting Many Things	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. What Do I Want In A Car?	<i>I Can Do Without It</i>	<i>It Would Be Nice</i>	<i>I Must Have It</i>
a. Easy Driving	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Easy Parking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Power Steering	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Smooth Ride	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Quiet Ride	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Good Gas Mileage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Front Wheel Drive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Good Looks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Good Radio/Tape Deck	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

j. Storage Space

k. Other: _____

l. Other: _____

3. What Really Bothers Me?

*Doesn't
Bother Me
At All* *Sometimes
Bothers
Me* *I Can't
Stand It*

a. Noisy Engine

b. Rattles and Squeaks

c. Gas Guzzling / Poor Mileage

d. Other: _____

e. Other: _____

4. Are There Any Extra Options That I Would Like In My Car? Can I Afford Them ?

Luxuries

Cost

\$ _____

\$ _____

\$ _____

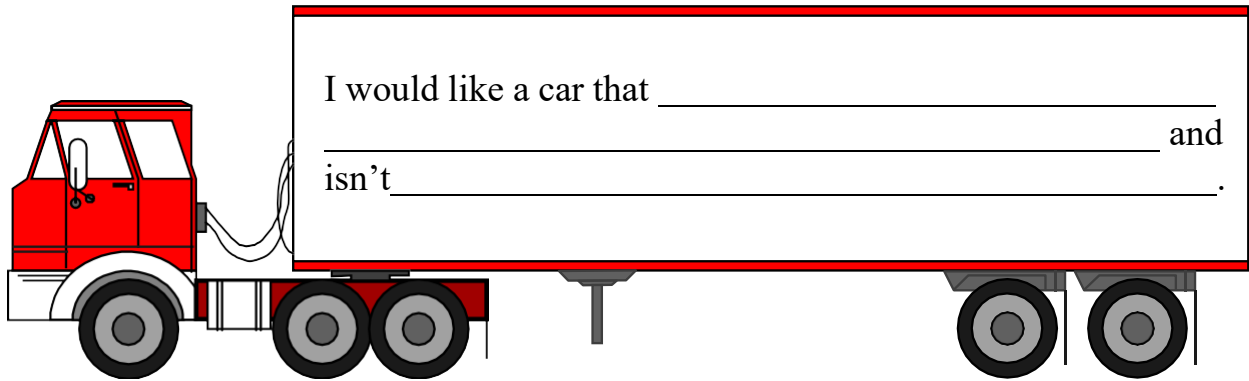
\$ _____

\$ _____

\$ _____

\$ _____

IN SUMMARY



Are there certain types of cars which interest you and meet your needs? If so, list them below.

	MAKE	MODEL	YEAR
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____



ACTIVITY

Using *Consumer Reports* magazine and the *Official Used Car Guide*, familiarize yourself with the quality and price ranges of the cars you are interested in. Record your findings in the chart below.

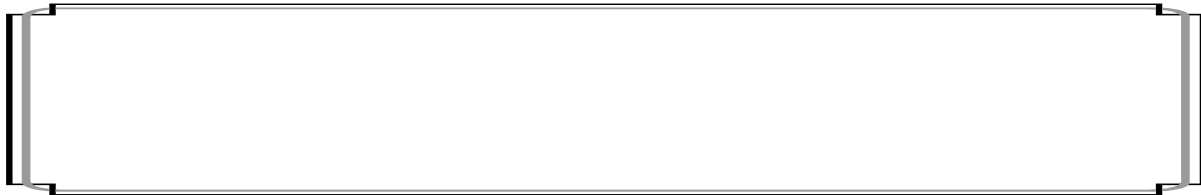
MAKE:	MAKE:	MAKE:
MODEL:	MODEL:	MODEL:
YEAR:	YEAR:	YEAR:
Price Range:	Price Range:	Price Range:
Good Features:	Good Features:	Good Features:
Bad Features:	Bad Features:	Bad Features:

Buying a car will be a major purchase for most of you. To make sure that you stay within your budget and get the most for your money, you will not only need to be an educated consumer, but you must also make good decisions.

Consider the following:

Lyle wants to buy a used car and has estimated that he can spend about \$2000 by putting \$400 down and paying the rest in monthly installments of \$110. While Lyle was at a used car dealership, he spotted a pick-up truck he really liked for \$3200. Lyle knows he can't afford it but debates whether or not he should buy the pick-up anyway.

What would you do in Lyle's situation?

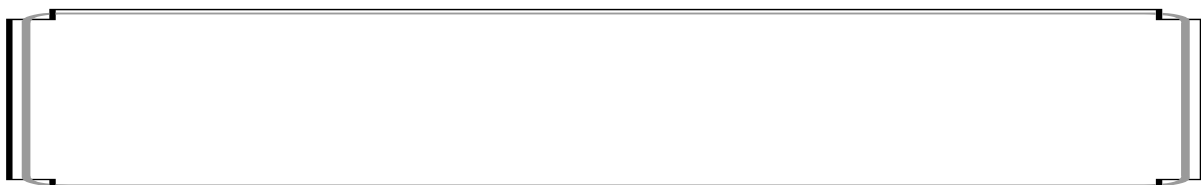


What could the consequences be if Lyle buys the pick-up?



Aaron has saved \$2400 over the past two years toward a car purchase. He plans to pay the full price in cash, since he has no credit history nor a co-signer. Aaron needs a reliable car with good gas mileage because he plans to travel 16 miles to and from work each day. When Aaron arrived at a used car dealership, he saw a great looking black sports car on the lot for \$2350. The car had leather seats, a sunroof, and a tape deck. When Aaron asked about the mileage, the salesperson explained away the car's 186,000 miles, saying that it looked as good as new. When Aaron asked about how many miles the car got to the gallon, the salesperson replied that even though it would use up a lot of gas, Aaron should just think about how he would impress everybody with such a great-looking car. Aaron took the car out for a test drive. It had lots of power and was really fun to drive, but Aaron detected an odd noise in the engine. When he asked about it, the salesperson told him, "It's nothing. If you turn up the stereo, you won't even hear it." Aaron is now debating whether or not he should buy the car.

What would you do?



Does that car have the qualities Aaron was initially looking for?



What do you think will happen if Aaron buys the car?



When you go car-shopping, whether you do it through the newspaper or used car dealerships, keep the following tips in mind:

- **Comparison Shop!!** Check the classified ads, check out used car lots. Don't be satisfied with the first or even the second one you visit. Shop around.
- New car dealerships often sell used cars, too.
- Some dealers offer a limited warranty on used cars. Ask about it!
- Try to shop for a used car with someone who knows a lot about them.
- Test drive the car! Listen for any noise that might warn you about problems.
- Don't allow yourself to be pressured by sales people. Take your time. Ask questions. Remember it's your money!
- Check for signs of rust.
- Check the oil. If it is dirty, the previous owner probably didn't follow the proper maintenance schedule. If there is water in the oil, don't buy the car unless you're prepared for high repair bills.
- Have a mechanic (not the one at the dealership) check out the car for you.
- Check the tires, brakes, and steering.
- Make sure all the equipment is working (the heater, defroster, windshield wipers, etc.).
- Check the mileage. If it's high, repairs might soon be necessary.
- Ask for the owner's care manual.
- Be certain that the papers, especially the title, are in order.



ACTIVITY

Evaluate the newspaper listings below and circle the car which best meets your needs and fits your budget.

1984 Volkswagon Rabbit - 150,000 miles Some rust, runs well. \$1000 or best offer Call 593-8905.	90 Honda Civic. 110,000 mi. New parts, lmtd warranty. SUPERCAR dlrshp. Call 439-3464	88 Ford Escort. 90,000. Runs great. 5 spd, \$1800 firm. Call 579-5960.	85 black Corvette. 105,000 mi. Leather Interior. POWER. \$5200 or best offer. Call 465-8342
'86 Toyota Pickup. 82,000 miles. Needs some engine work. \$600/BO. Call 620-6640.	89 Mustang, 5 speed 120,000 mi, mostly highway. Extras. \$6000 firm. Financing possible. Call Dealer Motors, 468-0656	87 Nissan, automotive. Needs body work, runs great. \$1000/BO.	92Jeep Wrangler. Soft top, great shape, fun car. \$8200. Financing avail. Call Dealer Motors, 468-0656
91 Hundai. 54,000 mi. New tires, new exhaust. \$3000/BO 897-0431	86 Chevy custom. Runs and looks well. 140,000 miles \$800/BO. 785-0722	91 Pontiac. Only 60000 miles! Very clean. For sale by owner. \$3400. Call 645-3874	82 Caprice. 175,00 miles. Runs OK, some rust. \$575/BO. Call 468-0813.
97 Saturn. 12,000 miles. CD player, A/C, like new. \$10,500. 541-5460	89 Mazda, 125,000 Mi. New brakes, transmission, tires. \$2600 firm. Call 650-7891	Mechanic's Dream! 70 Cadillac. Needs paint, needs overhaul. \$150. 513-4606	85 Dodge Dart. Needs new muffler. Some damage to body, perfect frame. \$500/BO. 498-0415

Explain your choice:



ACTIVITY

Go to several used car dealerships and comparison shop for a car which meets your needs and budget.

Did you find a car you liked? If so, describe below.

Even if you are prepared, car shopping can be difficult. Unless you are a mechanic, you may still end up with a “lemon.” However, if you buy a car that needs repairs shortly after the purchase date (approximately 30-60 days), you might be protected by the “Lemon Law”.



Research the stipulations of the Lemon Law and record them in the box below:

Note: It is important to remember that you have the right to ask the owner or the dealer to see the paperwork/history of any used car. The car’s history should include a description of all the work that has been done to the car, a record of oil changes, tune-ups or accidents, etc.

Start-Up Costs for Automobiles

Certain costs are incurred when you are putting a car onto the road for the first time, including registration and insurance fees.

Registration

Each car has to be registered with the Department of Motor Vehicles.



ACTIVITY

Check with the DMV regarding the registering of a car and record your findings in the box below.

Registering my car would cost:

Insurance

Each car in the state of Massachusetts has to be insured. Driving without insurance is against the law and can have serious legal consequences.



ACTIVITY

Research the costs of car insurance by inquiring with at least two different insurance companies. Discuss different options with the agents and record your findings in the chart below.

Insurance A		Insurance B	
	Cost		Cost
Liability		Liability	
Collision		Collision	

NOTE: *When you first insure a car, insurance companies will usually require the first three monthly installments up front.*

Which insurance would you choose and at what cost?

Explain your choice:

Each car must also pass an initial Safety and Emissions inspection. If your car does not pass, it may require some costly repairs and replacement parts before your car can legally be on the road. Check with a garage that provides Safety and Emissions inspections to find out the price.

\$ _____

Complete the following:

In addition to the costs related to purchasing a car and providing that my car passes the Safety and Emissions inspection, I will have to add a minimum of to put my car on the road.

	Registration
+	
	Total

Car Maintenance Costs

How much will you spend on the upkeep/maintenance will greatly depend on the number of miles you plan to drive.



ACTIVITY

Estimate how many miles you can expect to drive per week and record your findings below.

I would drive miles each week.

How many miles can your car run on one gallon of gas?

My car gets miles to the gallon.

Use the figures above to estimate your average anticipated monthly cost for gasoline.

$$\begin{array}{ccccccc}
 \boxed{} & \div & \boxed{} & = & \boxed{} & \times & \boxed{4} & = & \boxed{} & \times & \boxed{} & = & \boxed{} \\
 \text{Miles} & & \text{Miles} & & \text{Gallons} & & \text{Weeks} & & \text{Total} & & \text{Price of} & & \text{Total Amount} \\
 \text{per} & & \text{per} & & \text{per} & & & & \text{Gallons} & & \text{One Gallon} & & \text{for Gasoline} \\
 \text{Week} & & \text{Gallon} & & \text{Week} & & & & \text{per Month} & & \text{of Gas} & & \text{per Month}
 \end{array}$$

If you want your car to last as long as possible, you will have to take good care of it. And although you will have to invest some money into car maintenance, it will help you to avoid expensive repairs.

Consider the following:

Kim bought a used car five months ago and has been driving a lot. She has never checked her oil and has never had the oil changed because she thinks that her car is still “new” and shouldn’t have any problems yet. Today, while she was driving on the highway, Kim’s car suddenly overheated and began to smoke.

What do you think happened?

How could she have prevented this problem?



ACTIVITY

Research the prices of an oil change and a tune up. List them in the appropriate boxes below.

How often does the average car need an oil change? _____

Cost of an Oil Change

How often should a car have a tune up? _____

Cost of a Tune Up

In addition to the above maintenance costs, it is helpful to budget additional money for unexpected repairs or replacements, i.e. new tires, headlights, etc.

Independent Living Skills – Buying A Car

Utilize the work space below to estimate you total monthly cost relative to the upkeep of a car.

Average cost per month for
maintenance (oil change, tune up,etc.)

Monthly insurance payment

Average cost of gas

Money budgeted for unexpected repairs/replacements

Total Maintenance/Upkeep Cost per Month