

## 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?

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

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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.

<b>1. What Would I Use the Car For?</b>	<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"/>

<b>2. What Do I Want In A Car?</b>	<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"/>

Independent Living Skills Module I

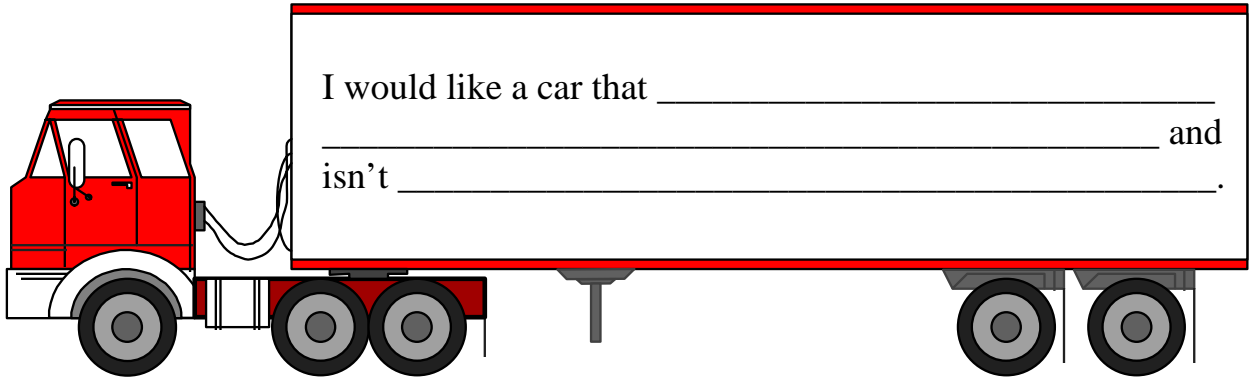
- |                          |                          |                          |                          |
|--------------------------|--------------------------|--------------------------|--------------------------|
| j. Storage Space         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| k. Other: _____<br>_____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| l. Other: _____<br>_____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

<b>3. What Really Bothers Me?</b>	<i>Doesn't Bother Me At All</i>	<i>Sometimes Bothers Me</i>	<i>I Can't Stand It</i>
a. Noisy Engine	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Rattles and Squeaks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Gas Guzzling / Poor Mileage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Other: _____ _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Other: _____ _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

<b>Luxuries</b>	<b>Cost</b>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

## 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:

Independent Living Skills Module I

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.

**C**onsider 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?

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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.

Independent Living Skills Module I

- 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 enginework. \$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:

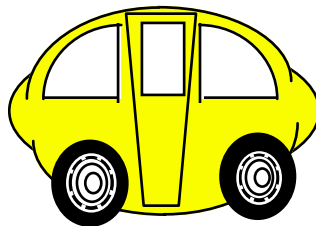


**ACTIVITY**

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?

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## Independent Living Skills Module I

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
+
[ ]
Insurance
_____
[ ]
<b>Total</b>

## 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.

$$\begin{array}{ccccccc} \boxed{\phantom{000}} & \div & \boxed{\phantom{000}} & = & \boxed{\phantom{000}} & \times & \boxed{4} & = & \boxed{\phantom{000}} & \times & \boxed{\phantom{000}} & = & \boxed{\phantom{000}} \\ \text{Miles} & & \text{Miles} & & \text{Gallons} & & \text{Weeks} & & \text{Total} & & \text{Price of} & & \text{Total Amount} \\ \text{per} & & \text{per} & & \text{per} & & & & \text{Gallons} & & \text{One Gallon} & & \text{for Gasoline} \\ \text{Week} & & \text{Gallon} & & \text{Week} & & & & \text{per Month} & & \text{of Gas} & & \text{per Month} \end{array}$$

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.

**C**onsider 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.

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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 Module I

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

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**Total Maintenance/Upkeep Cost per Month**

## SHOPPING SKILLS

### Comparison Shopping

You've probably worked hard to earn your paycheck or allowance. Therefore, you want to get the most for your money. Nothing is more frustrating than finding an item you have purchased selling for a lower price at another store. Checking the price of a item takes a little time but often saves a great deal of money. If you know exactly what you want in advance (which brand, which size), you can do a price check by scanning newspaper advertisements or calling several stores.

Utilize the comparison shopping skills you learned in the budgeting section to complete the following exercise.



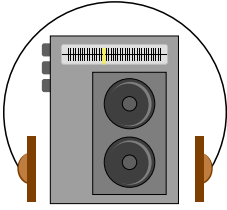
#### ACTIVITY

Do a price check on an item that you are thinking of buying (a stereo, bicycle, record, pair of jeans, etc.) Compare the price for exactly the same item at 3 different stores and list the results below.

	Item	Price
<i>Store 1:</i>		
<i>Store 2:</i>		
<i>Store 3:</i>		

Keep in mind that there are additional factors to consider when you want to determine the best value, such as the quality of the product, warranty, and style.

Consider the following:



Richard and Ariel both want to buy a new walkman. Ricard finds one at a drug store for \$14. It has an auto-rewind tape player, a radio, and headphones. Ariel finds a walkman at a department store for \$28 which is a different brand name but has all the same features as Richard's. Is the cheaper walkman necessarily the better buy? What do you think?

Aside from price, what other factors should be considered when purchasing an item like a walkman?

The cheapest item might not always be the best buy. The quality and durability has to be considered as well. Additionally, as in the walkman example above, you would have to ask yourself how many batteries each walkman uses, what the warranty is, etc. And while the cheapest item may not be the best bargain, the opposite may also be true: the most expensive items are not necessarily better quality!

## Checking the Warranty

Since January 1, 1977, federal law requires that warranties on consumer products costing more than \$15.00 must be available for you to look at before you buy the product. Read the warranty very carefully; it, not what the salesperson tells you, describes what type of service you can get when you have bought a defective product.

There are two types of warranties. A full warranty usually means that a defective product reported within a specific period of time will be fixed or replaced at no cost to you. A limited warranty means that some feature provided by the full warranty is missing. For example, it may only cover the cost of parts, not labor, or it may cover only certain parts of the product.

Make sure that you understand exactly which services are covered by the limited warranty.

## Understanding Warranty Information

Carefully read the warranty that is printed below and then answer the questions that follow.

### **FULL ONE YEAR WARRANTY**

Rituchi Stereo warrants that this stereo compact disc player will be free from defects for a period of one year from the date of purchase. This warranty does not cover damages resulting from accident, abuse or misuse.

If your stereo CD player system fails to operate properly under normal conditions within the warranty period, return it to one of the twelve Rituchi Repair Centers in the United States. If the stereo CD player system is found to have defective parts or workmanship, Rituchi will repair or replace it, free of charge. Send your name, address, copy of sales receipt and the reason for the return along with the CD player. Allow 8-10 weeks for mailing and servicing.

Rituchi Stereo Systems.  
Sakawa, Japan

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**Questions:**

1. Under what conditions will the CD player be repaired free? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. Where does the CD player have to be sent to be repaired? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Who must pay for mailing the CD player to be repaired? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

4. Are there any service or handling charges? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

5. What do you have to send with the CD player? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

6. How long do you have to wait for the CD player to be repaired and returned? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

7. What can you do if you broke the CD player by dropping it while you were setting it up? \_\_\_\_\_

\_\_\_\_\_

## Reading the Fine Print

Read the advertisement below and answer the questions which follow.



**TEN CDs FREE!**  
*(A \$120 Value!)*

Yes, get 10 CDs free!  
All you have to do is sign up with the Music Fan CD Club and buy an additional 12 CDs at full club price during the next year.

*Allow 8-10 weeks for delivery.*

**Music Fan Club**  
123 Downtown Street  
Boston, MA.

Would you sign up with the Music Fan CD Club?

Do you think it's a good buy? Why or why not?