



America Saves on Car Purchases

Americans can reduce their motor vehicle expenses by making wise purchase decisions.

■ Whether to Buy

Before buying a car, **consider whether alternative transport — mass transit, cabs, rental cars, or a leased car — makes sense.** In making this decision, consider not only convenience but also total cost, including the sale price, finance charges, insurance premiums, and maintenance expenses of a purchased motor vehicle. Remember that the monthly payments on a leased car may be lower than those on a purchased one but, at the end of the lease period, you won't own the car.

■ What to Buy



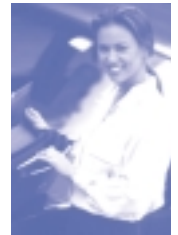
In deciding whether to purchase a new or used car, **make certain to estimate the difference in total costs, not just purchase price, but also depreciation, gas mileage, insurance premiums, finance charges, and likely costs of maintenance and repair.** In selecting a

new or used vehicle, search the internet and publications, such as *Consumer Reports* and *The Car Book*, for information about the features, performance, durability, and costs of models that interest you.

■ How to Buy

To purchase a new car, first learn the manufacturer's wholesale price to the dealer, then **negotiate price over the phone with several dealers.** If you are uncomfortable negotiating, consider seeking the assistance of a car buying service, such as *CarBargains*.

To purchase a used car, check the *Bluebook* price to learn what used cars in a certain condition usually sell for. Consider buying from family or friends, who are more likely to inform you about problems and not overcharge you. And, try to find a mechanic who is willing to check the car before you purchase it.



■ How to Finance

Remember the lower the amount you finance, the lower your loan rate, and the shorter the term of the loan, the less interest you will pay. Shop around, using the internet or Yellow Pages, for the least expensive loan. But **make certain to call your bank or credit union for a rate quote before talking to a dealer about financing.**

If you wish dealer financing, negotiate a rate at least as low as that quoted by your bank or finance company. And, remember that federal law prohibits discrimination in finance charges based on race, sex, or marital status.



AmericaSaves
You Can Build Wealth

For More Information

Check out the America Saves website subpage on car purchases www.AmericaSaves.org. Also, consult issues of *Consumer Reports*, especially the April car-buying issue.