

# Buying Your First Car Online Worksheet

Complete this worksheet by typing your response into each section.  
To earn credit, e-mail your completed worksheet to  
[LEADfinancial@champlain.edu](mailto:LEADfinancial@champlain.edu).

---

## Section #1: It's all about YOU!

NAME: *Max McGraw*

EMAIL ADDRESS: *mcgramax000@slyon.us*

---

## Section #2: Where to start?

Please watch the following introductory video. It's about 2 minutes long and gives a good overview of what you'll need to do to buy a new or a used car.

<http://www.youtube.com/watch?v=zja6t0nl72Y>

As you saw in the video, the first thing you need to do is figure out what your priorities are for your new, or at least new to you, car. Please fill out the chart below by ranking your priorities from 1-5. You will use this list to help you pick a vehicle that suits your needs.

Some potential priorities could be safety, style, size, gas mileage, low cost to own, look, comfort, low price, handling, reliability, comfort, power, room, trunk space, etc...

My Priorities:	Fill in your top 5 priorities in order of most to least important.
1	<i>power</i>
2	<i>Room</i>
3	<i>reliability</i>
4	<i>Comfort</i>
5	<i>style</i>

# Buying Your First Car Online Worksheet

---

## Section #3: Time for some research

Now that you've looked at your priorities, it's time to start your search. Please pick 3 cars, **at least one should be used and at least one should be new**. Use the websites below to analyze what different makes and models of cars will fulfill your priorities. Please provide a short explanation, **in your own words**, as to why you have chosen each car as well as a link to where you found information about the car. You may have to dig a little to find quality consumer reviews and pricing for your used car option(s).

Example: 2001 Honda Civic Coupe, gets good reviews in terms of reliability, price and gas mileage, which are my top three priorities. <http://www.edmunds.com/honda/civic/2001/?sub=coupe#fullreview>

There are many places on the web to research cars; these are four sites that I like.

1. <http://www.nadaguides.com/Cars/Research-Center>,
2. [www.edmunds.com](http://www.edmunds.com)
3. <http://www.kbb.com/compare-cars/>
4. <http://www.cars.com/go/crp/index.jsp>

Category	Make, Model and Year	Why I chose to buy this car (please include an active link to information on this car)
New Car	<i>Jeep wrangler unlimited sport s 2017 31095</i>	<i>I chose this as my new car because it is very powerful for its size which is what I'm looking for. I would choose the four door option on this car because it would meet my size requirement. Jeeps are also known for their reliability because they must handle the rough terrain many people that buy jeeps take them on.. It also meets the rest of my requirements. (link at the bottom)</i>
Used Car	<i>2010 Ford f-150 stx 13549</i>	<i>I chose this vehicle as my perfect used car because ford f-150s are the best most reliable truck on the market. This truck offers the room and comfortability I need. (link at the bottom)</i>
Choose one: New or Used	<i>2013 bmw 3 series 328i 13955</i>	<i>I chose this vehicle for my third car because it offers the power reliability style and comfort I wish for. This is a beautiful car when treated</i>

# Buying Your First Car Online Worksheet

		<i>well.</i>
--	--	--------------

---

## Section #4: Financing

You know what car you want to buy, but what will your loan really cost? Should you lease instead? For this workshop we're concentrating on buying, but for a good summary of leasing vs. buying, please watch the following video.

<http://www.youtube.com/watch?v=wdgDV8JTYow&feature=related>

Depending on the interest rate, the price you get and the length of your loan, your total cost (price + finance charges) will differ. The price and loan terms will depend on the car you choose and what you negotiate with a lender. Your interest rate however will depend in a large part on your credit score. The higher your score, the lower your interest rate will be. If you want more information on what goes into your personal credit score and report, please come to an [Understanding Credit Workshop](#).

In general you want to keep a car loan to maximum term of 5 years or less, 4 years if you're buying used. One of the reasons to keep the term down is that although your payment may go up, the total cost of the car will decrease with the shorter term. You'll see this when you fill out the table below. Finally, remember that the point of buying, rather than leasing, is so that in time, you will own the car without having a monthly payment! Extremely long payment plans make it more difficult to pay off your loan and you end up paying more in the end.

Bankrate.com is a great site for analyzing loan terms. The link below connects to their car loan financing calculator. It's a great tool and will help you to easily fill out the table below.

<http://www.bankrate.com/calculators/auto/low-interest-auto-finance-calculator.aspx>

**Step 1:** Choose one of the cars above from your research to explore financing opportunities.

**You will use the same car (and therefore price) for each example.**

**Step 2:** Visit the following website:

<http://www.bankrate.com/calculators/auto/low-interest-auto-finance-calculator.aspx>

**Step 3:** Enter the Price of the car into the "Balance to Finance" field

**Step 4:** Enter "\$0" in the Down Payment field

**Step 5:** Enter the number of months you are researching

**Step 6:** Under APR Option 1, enter 5%, Option 2 enter 10%, Option 3 enter 15%.

**Step 7:** Click on "Calculate" and then "View Report"

**Step 8:** Look at the chart to find your Monthly Payment and Total Interest Paid based on each interest rate.

**Step 9:** Calculate your total money paid by adding Price to Total Interest Paid.

**Step 10:** **Using the same car each time**, repeat for additional payment schedules (number of months) to complete the table. Use the link below to calculate the real cost of your loan as well

## Buying Your First Car Online Worksheet

as your expected monthly loan payment for any one of your cars but please use the same car for the whole table. Assume that you will be financing the entire price of the car.

APR	Price	Monthly payment 3 year loan (36 months)	Total Interest Paid	Total Paid(Price + Interest Paid)
5%	13955	418	1102	15057
10%	Same as above...	450	2255	16210
15%	Same as above...	484	3460	17415
APR	Price	Monthly payment 4 year loan (48 months)	Total Interest Paid	Total Paid
5%	Same as above...	321	1471	15126
10%	Same as above...	354	3034	16989
15%	Same as above...	388	4687	18642
APR	Price	Monthly payment 5 year loan (60 months)	Total Interest Paid	Total Paid
5%	Same as above...	263	1846	15801
10%	Same as above...	297	3835	17790
15%	Same as above...	332	5964	19919

---

### Section #5: Do some research into the real cost to own!

Now that you know what different financing options will cost you, it's time to research what

## Buying Your First Car Online Worksheet

costs there are, other than your loan, when you have a car. Often, people forget to think of insurance costs, repairs and maintenance and gas when they try to figure out what car they can afford in their budget. For this workshop you'll be calculating your monthly expenses for each category. Edmunds.com provides a simple site where you get all these numbers at once.

Follow the steps below to fill in the table and calculate an estimate of what it will really cost you per month to own your car!

**Step 1:** Choose the car you want to research on the real cost to own.

**Step 2:** Revisit the [bankrate site](#) that you just used to calculate your monthly payment for a 4 year loan at 10% interest for each car.

**Step 3:** Multiply your monthly payment by 12 to get the annual payment for each car.

**Step 4:** Visit <http://www.edmunds.com/tco.html>

**Step 5:** Enter the make/model/year/style of your car.

**Note:** *If you chose a used car that is older than the data available, please look up the data for the same make and model of car in the closest year you can find.*

**Step 6:** Enter the annual costs to own this car from *the 3<sup>rd</sup> year of ownership* into the chart below.

**Step 7:** Add your total annual costs together.

**Step 8:** Divide your total annual costs by 12 to find out how much it will cost to own this car each month.

Please provide the link to the page for each car that you look up. Fill out the table below for all three cars as a way to compare them, so that you can make an informed decision on which one to choose.

	New Car	Used Car	Third Option
Make Model and Year of Car	Jeep wrangler unlimited sport s 2017 31095	2010 Ford f-150 stx 13549	2013 bmw 3 series 328i 13955
Annual Payment (4 year loan at 10%) <u>Monthly Payment x 12</u>	9468	4128	4248
Annual Insurance Cost	675	711	1,016
Annual Repairs	0	461	1,563
Annual Maintenance	169	1285	2,518
Annual Fuel	1,908	1807	1,673

## Buying Your First Car Online Worksheet

Annual Fees	2,187	977	1,319
Total Annual Cost To Own (Sum of previous cells)	14407	7562	12337
Total Monthly Cost to Own (Annual Cost ÷ 12)	1200.58	630.16	1028.08
Link	<a href="https://www.edmunds.com/jeep/wrangler/2017/st-401661452/cost-to-own/">https://www.edmunds.com/jeep/wrangler/2017/st-401661452/cost-to-own/</a>	<a href="https://www.edmunds.com/ford/f-150/2011/st-101307109/cost-to-own/">https://www.edmunds.com/ford/f-150/2011/st-101307109/cost-to-own/</a>	<a href="https://www.edmunds.com/bmw/3-series/2013/st-200423804/cost-to-own/">https://www.edmunds.com/bmw/3-series/2013/st-200423804/cost-to-own/</a>

---

### Section #6: Conclusions

You've done your research, so what do you think?

Write a reflective paragraph incorporating at least 5 of the following questions.

- What was the most surprising thing you learned? 1
- Did this exercise make you think differently about the true costs in owning a car? 3
- Did your priorities change now that you have done some research on the costs different types of cars? 4
- Did the cost of financing a car surprise you?
- Did the true cost of owning a car surprise you? 2
- Do you still want to buy a car?
- Do you still think you can afford a car?
- Which of your cars do you think would be the best fit for you right now?
- What kind of car would you like in ten years? Why?

---

*The true cost of owning a car surprised me a lot. Many car companies tell you how cheap it is to own their car, but they don't factor in all the additional things to maintain and drive it. What surprised me most was the annual fuel cost. I knew gas was usually expensive; however, I didn't think the annual cost of just gas would add up to almost \$2000 for some cars. This exercise made me rethink what car I want in the future. It made me realize there's a lot of other factors that could make a car that looks cheaper actually be the most expensive. My priorities have changed now since this exercise. The most important factors in my decision will be reliability and gas mileage, so I won't have to purchase another car and pay a lot of money in only a couple years. I am not looking forward to buying a car now because now I know all the expenses I'm going to have to make once I get it.*

## Buying Your First Car Online Worksheet

---

To receive LEAD credit: *Email your completed worksheet to the LEAD Financial Sophistication Department ([LEADfinancial@champlain.edu](mailto:LEADfinancial@champlain.edu)). Attach your worksheet to the email and type “Online Buying Your First Car Workshop” in the subject line. You will receive an email confirmation when your work has been reviewed. Once you have submitted your work, please fill out the following evaluation survey: [Financing Your First Car Evaluation Survey](#)*

Final Thoughts: This online workshop concentrates on the financing and budgeting costs involved with buying your first car. If you are really interested in buying a car, you should also attend our live Buying Your First Car Workshop which covers, negotiating, dealer tactics, financing details and scams to look out for. <http://www.champlain.edu/LEAD-Program/Financial-Sophistication.html>

## Buying Your First Car Online Worksheet

<http://www.jeep.com/wrangler-unlimited.html?sid=1037056&KWNM=4-door+jeep+wrangler&KWID=43700019368154013&TR=1&channel=paidsearch&gclid=Cj0KEQjwxPbHBRCdxJLF3qen3dYBEiQAMRyxS8IICHq2fybd68RcLODZ0M3AUyDVVXZ4DuZhnHZY2zQaAqAw8P8HAQ>

<https://www.edmunds.com/ford/f-150/2010/used/vin/?vin=1FTEX1CW8AFA92870>

<https://www.edmunds.com/bmw/3-series/2013/used/vin/?vin=WBA3A5C57DF355066>