

INTRODUCTION

For the past few years you've been thinking about what it will be like to own your very own car—not one that your parents let you use, not one you have to share with siblings - your own! The time has come! Your parents have told you that if you wanted a car that you would have to “foot the bill” yourself. You've always said you wanted a sporty silver Camaro with racing stripes and now you have your chance... sort of. Let's see if you can afford your dream car and what you'll need to do.



THE TASK: Section 1 Wants and Needs

Directions: Identify your personal transportation wants & needs by answering the following questions:

How will you use your car? Choose all that apply.

- | | |
|--|--|
| <input type="checkbox"/> Drive to school | <input type="checkbox"/> Drive to work |
| <input type="checkbox"/> Carry friends | <input type="checkbox"/> Carry family members |
| <input type="checkbox"/> Hauling | <input type="checkbox"/> Sports and Recreation |

What kinds of roads will you drive on? This will help you decide whether you need a front-wheel, rear-wheel, or four-wheel drive vehicle.

- | | |
|-----------------------------------|---|
| <input type="checkbox"/> Highway | <input type="checkbox"/> City |
| <input type="checkbox"/> Suburban | <input type="checkbox"/> Rural |
| <input type="checkbox"/> Off-road | <input type="checkbox"/> Mountain roads & Snow conditions |

Where will you park your car most of the time? Your parking space will determine the amount of money you will want to spend if the car isn't protected from the weather or theft.

- | | |
|--------------------------------------|---------------------------------|
| <input type="checkbox"/> Driveway | <input type="checkbox"/> Street |
| <input type="checkbox"/> Parking lot | <input type="checkbox"/> Garage |

What extra features would you like in a car?

- | | |
|---|---|
| <input type="checkbox"/> Sun roof/Moon roof | <input type="checkbox"/> Manual or automatic transmission |
| <input type="checkbox"/> Air-conditioning | <input type="checkbox"/> Traction control |
| <input type="checkbox"/> CD player | <input type="checkbox"/> Power windows and doors |
| <input type="checkbox"/> Antilock brakes | <input type="checkbox"/> Tinted windows |
| <input type="checkbox"/> Power steering | <input type="checkbox"/> Airbags |
| <input type="checkbox"/> Other _____ | |

How will you pay for your vehicle? You need to know how you will pay for your car to prepare for financing a loan, if required.

- | | |
|-------------------------------|-------------------------------|
| <input type="checkbox"/> Cash | <input type="checkbox"/> Loan |
|-------------------------------|-------------------------------|

How will you carry insurance? Identifying your insurance requirements will help you gain an accurate quote from an insurance company.

- | | |
|---|--|
| <input type="checkbox"/> Your parents' policy | <input type="checkbox"/> Your own policy |
|---|--|

Do you qualify for any insurance discounts? Knowing what discounts you qualify for will help you to get an accurate quote from an insurance company.

- | | |
|---|---|
| <input type="checkbox"/> Good student | <input type="checkbox"/> Non-drinking and nonsmoking |
| <input type="checkbox"/> Driver's education | <input type="checkbox"/> No past accidents or tickets |



THE TASK: Section 2 Vehicle Selection

Directions: 1) Identify types of vehicles that meet your specifications for features in the following categories. NOTE: You must have 2 types of vehicles in each of the following categories:

- a. Sub-compact car priced under \$15,000
- b. Mid-sized car priced under \$25,000
- c. Luxury car priced over \$45,000

2) Research to compare pricing and features for your choices. Record the year, make, model and price of the car. Online resources include:

- www.carpaint.com
- www.BBB.com
- www.automall.com
- www.nadaguides.com
- www.edmunds.com
- www.consumerreports.com
- www.AutoNation.com
- www.autobytel.com
- www.carfax.com

- 3) If the dealer pays only 92% of the sticker price, calculate the dealer's cost & fill in the table below.
- 4) You decide to offer 4% above the dealer's cost. Calculate your offer and fill in the table below.
- 5) Using your offer, add 6% sales tax in order to calculate the purchase price & fill in the table below.

CATEGORY/ FEATURES	YEAR	MAKE	MODEL	PRICE	DEALER'S COST [92% of price]	YOUR OFFER [4% above dealer cost]	PURCHASE PRICE [YOUR OFFER + 6% SALES TAX]
Subcompact/							
Subcompact/							
Midsized/							
Midsized/							
Luxury/							
Luxury/							

THE TASK: Section 4 Insurance

Directions: Find out how much it would be to insure your car. Choose one you researched from each of the 3 categories (sub-compact/ midsized/ luxury).

a) Using each car's feature's complete the survey on the following website to receive a free quote:

Essurance.com

** You may have to enter personal information to have the rates listed for you. DO NOT give your social security info or your home address—use the school address instead: 45700 Six Mile Rd. Use your actual birth date to get accurate quotes. Some companies use address and social security number info to solicit business others simply use it to obtain the most accurate geographical data. Use good online judgment.

b) Vehicle Information: Enter the year, make and model of ONE of the cars you are selecting. Choose FINANCING as your payment, COMMUTE as your primary use and estimate ANNUAL MILAGE at 15,000 miles

c) Enter accurate driver information. You are the only one in the household you are getting a quote for and you are not authorizing any other drivers.

d) Skip the discounts and enter your email address at the bottom

e) After it provides you a basic quote, customize your policy with the “Build Your Own” tab. Use the following information:

Types of Insurance	Coverage
Bodily Injury Liability (BI)	\$100,000/\$300,000
Property Damage Liability(PD)	\$100,000
Limited Property Damage Liability	Decline
Personal Injury Protection (PIP)	\$300 deductible
Property Protection (PP)	\$1,000,000
Uninsured Motorist BI	\$100,000/\$300,000
Comprehensive (COMP)	\$250 deductible
Collision (COLL)	\$500 deductible / Broad form
Emergency Road Service (ERS)	Accept
Rental Reimbursement (RR)	Decline
Mechanical Breakdown Service	Decline

f) Find the 6 month premium & record in the table. (NOT the big orange #—it's in the small print below!!)

g) Use the 6 month quote to calculate the monthly payment and the annual premium

VEHICLE	6 MONTH QUOTE	MONTHLY INSUR. PYMT	ANNUAL PREMIUM

1) Which car had the most expensive & which had the least expensive insurance? Why do you think that is?

2) Were you surprised by how much insurance costs? Explain.



THE TASK: Section 5 Maintenance

Directions: Choose ONE of the three cars from section 4 and estimate how much it will cost you to keep your chosen vehicle on the road.

EXPENSES	(Monthly Operating Costs)	COSTS
----------	---------------------------	-------

Taxes & Fees

Calculate the fees for registration and tabs by finding .05% of the base price of your selected car. divide by 12 months in a year.

Registration	= \$	Annual fees
--------------	------	-------------

Total Monthly Taxes & Fees	= \$	Monthly fees
---------------------------------------	-------------	---------------------

Maintenance

The average person drives their car 15,000 miles per year. Use this number to estimate maintenance expenses. Check with your parents, call repair shops or search online for estimates. Divide the result of this multiplication by 12 months in a year.

Oil change and lubrication

Every 3,000 miles = 5 times per year x \$ _____ (enter cost) = \$ _____

Tire rotation (every 5,000 miles = 3 times per year x \$ _____ (enter cost) = \$ _____

Tune-up (every 30,000 miles = ½ times per year x \$ _____ (enter cost) = \$ _____

Total Monthly Maintenance	= \$	
----------------------------------	-------------	--

Gas

Estimate your annual fuel cost at: www.fueleconomy.gov based on the average of 15,000 miles per year. In the "Find & Compare Cars" section on the left, click "Compare Side by Side" and enter your car's info. Find the Annual Fuel cost and record. Then, divide by 12 to find the monthly fuel cost.

Annual Fuel Cost	= \$	
------------------	------	--

Total monthly gas	= \$	
--------------------------	-------------	--

Insurance & Car Payment

Monthly Car Payment (from Section 3)	= \$	
--------------------------------------	------	--

Total monthly insurance (from Section 4)	= \$	
---	-------------	--

Total Monthly Operating Expenses	= \$	
---	-------------	--

