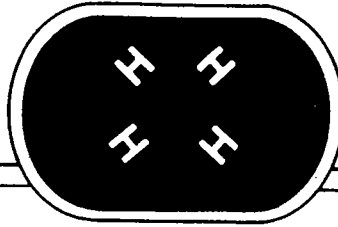
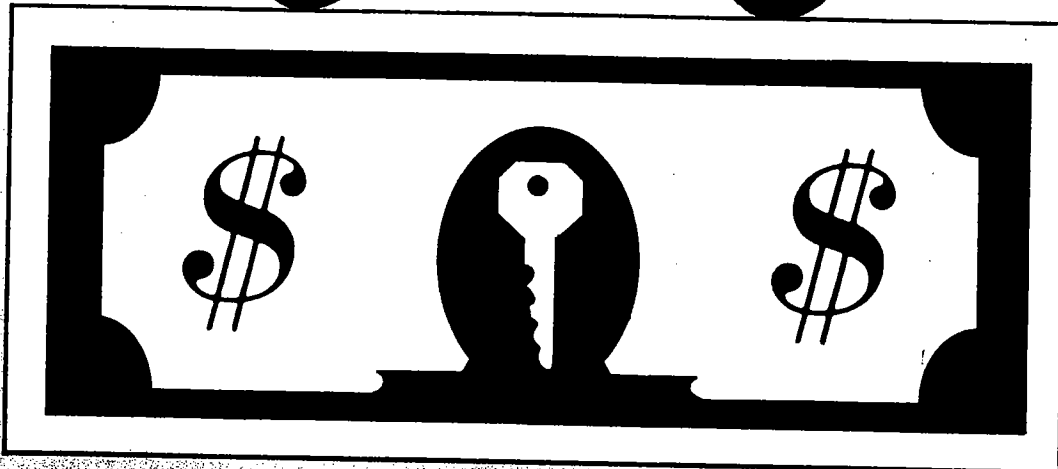
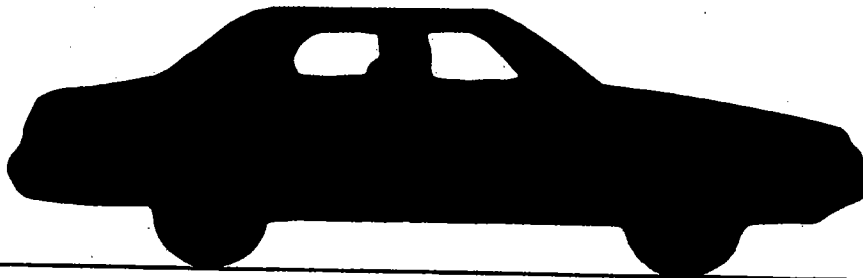


NAME _____
CLUB _____
BIRTHDATE _____
YEARS IN PROJECT _____
YEARS IN 4-H _____



4-H AUTOMOTIVE PROJECT

BUYING YOUR FIRST CAR



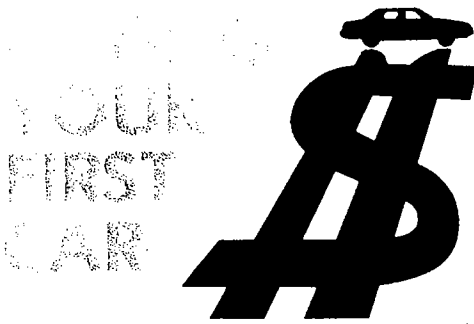


Table of Contents

	Page
Introduction	2
Figuring the Total Cost of Owning a Car	3
How to Buy a Car	4
Know What You Want.....	4
Compare Makes and Models.....	5
Learn the Techniques for Buying a New Car.....	6
Know When to Buy.....	7
How to Buy a Used Car	8
Where to Look for Used Cars.....	8
How to Appraise a Used Car.....	8
Insurance: Covering You and Your Car	11
Insurance Requirements and Options.....	11
Cost of Auto Insurance.....	11
What to Do if You Have an Accident.....	12
Financing A Car	13
Where to Get a Loan.....	13
What Will the Loan Cost?.....	13
Summary	15

Acknowledgements

This educational material has been prepared in consultation with National 4-H Automotive Development and Review Committees comprised of representatives of Extension Service, United States Department of Agriculture, the Cooperative Extension Service of State Land-Grant Universities, and National 4-H Council.

Special thanks are extended to the Firestone Trust Fund, donor for the National 4-H Automotive Awards Program, for financial assistance.

This material is published by National 4-H Council, 7100 Connecticut Avenue, Chevy Chase, Maryland 20815. National 4-H Council is a not-for-profit educational organization that utilizes private resources to help expand and strengthen the 4-H program. 4-H is the youth education program of the Cooperative Extension Service of the State Land-Grant Universities and the U.S. Department of Agriculture. Programs and educational materials supported by National 4-H Council are available to all persons regardless of race, color, sex, age, religion, national origin or handicap. Council is an equal opportunity employer.

1986

Introduction

Buying a car can be exciting. How often have you dreamed of owning your very first car? Once, twice, hundreds of times. Well you're like most teens. TV ads, car showrooms, popular magazines and the cars owned by your friends all are constant reminders of the "wheels" you'd like to have.

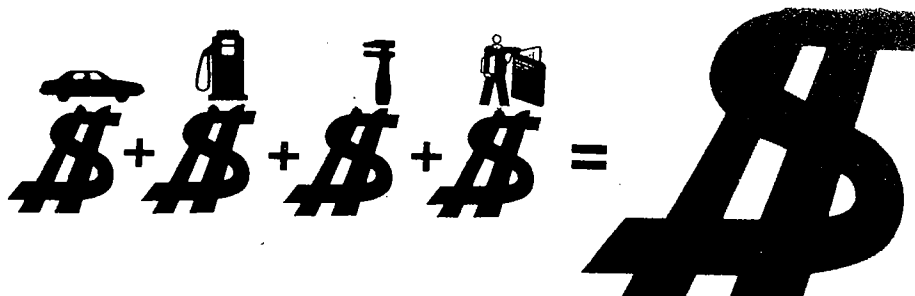
What would a car mean to you? They're a lot of things to different people—a source of pleasure, pride, status, and even basic transportation. In our society, cars are a necessity.

Yes, cars are all of these things and more. Cars are expensive to own and maintain. They can also cause tremendous frustration, be a pain in the neck and an inconvenience if you make a poor choice and buy a "lemon".

Each year millions of people compare, test and buy cars, some of which perform well and some badly. Some give pleasure and satisfaction while others require costly repairs. The degree to which people have

success or headaches as the result of purchasing a car usually relates to the care and detail they use in the selection process.

This project is designed to help you develop skills and strategies in buying a car that will give you the service, dependability and pleasure that you may expect for your hard earned money. Even if you are not intending to purchase a car in the near future, this project will be beneficial in preparing you for when you do.



Most people planning to buy a car for the first time immediately think of the purchase price and do not consider the expenses involved in operating and maintaining a car. In order to get a better picture of what a car is going to cost you, it is necessary to look at other costs that you will incur in addition to the purchase price of the car.

Operating expenses include gas, oil, insurance, local parking stickers,

property tax (some states), required safety or emission checks, and title and registration fees.

Maintenance costs include expenses involving the following: oil changes every 3,000 to 7,000 miles, including filters; tune-ups, including the costs of parts; tire replacement; brake checks and/or replacements; front end alignments (at least once a year); grease jobs; and dealer warranty-required checks (new cars). Other

costs may include air conditioner maintenance, flat tires, towing costs, belt and hose replacements, batteries and various emergency repairs or services.

In order to get a more complete picture of what a car would cost you to own and operate, use the following chart to figure the cost of owning and operating your family car, for at least one year.

Figuring the Cost of Owning and Operating a Car

Make and model of car _____

Year _____

1. Total purchase cost of the car (including shipping and dealer preparation charges) _____

2. Cost of a loan, if applicable (interest rate charges) _____

3. Sales tax (state/local) _____

4. Property tax (if applicable) _____

5. Drivers license, title and registration _____

6. Annual insurance cost _____

7. Local registration or stickers _____

8. Required safety/emission checks _____

9. Gasoline _____

Approximate yearly mileage _____

Approximate gas mileage _____

Totals

10. Oil changes (include the costs for oil, labor, oil and air filters, lubrication, etc.) _____

11. Tune-ups (include the costs for tune-ups and parts) _____

12. Tire purchases (if necessary) _____

13. Emergency expenses (flat tires, towing, etc.) _____

14. Brake checks, repairs _____

15. Other expenses (state) _____

16. Total Car Expenses _____

A. Number of Years Expected to Finance Your Car _____

B. Total Purchase Cost (add lines 1-3) _____

C. Annual Purchase Cost (divide line A into line B) _____

D. Annual Operating Costs (add lines 4-15) _____

E. Total Estimated Operating Costs (multiply line A x D) _____

17. Annual Cost of Owning & Operating a Car (add lines C & D) _____

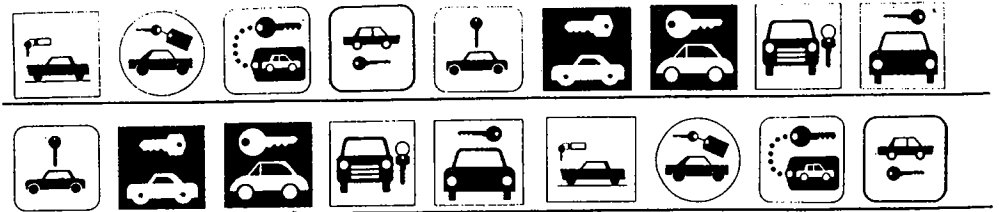
18. Total Estimated Cost of Owning & Operating a Car (multiply above amount by line A) _____

NOTE: You may use the EPA estimate to figure yearly cost of gas. Divide the yearly mileage by the M.P.G. This will give you the approximate number of gallons of gas used. Multiply the number of gallons by the average cost of a gallon of gas to get the approximate cost of gasoline for a year.

Remember, operation and maintenance costs continue even after you have paid for the car. And these costs usually increase with the age of the car.

In order to determine your total for owning and operating a car, even after it's paid for, you must keep very accurate records each year. Add the total purchase price with the total

operation and maintenance costs, then divide by the number of years that you owned and operated the car.



Buying a car is more than kicking a few tires and satisfying one's visual appeal. You can't judge a car by its cover. Car dealers are in business to make money, so it's your job as the buyer to make sure you get a good deal. How do you do it? You study the facts.

Before you actually start looking for a car, there is some homework you can do to increase your chances of getting a car that will make you happy. This project will help to outline a process that will enable you to become a wise shopper. You will be provided steps to consider before

and during the process of purchasing a car. Follow-up activities are provided after each step to allow you to practice some of the skills you will need. Following these steps should help increase your chances of making a good buy.

STEP 1

Whether you buy a new or used car will probably depend on the amount of money you have to spend, but money should not be the only factor to consider. There is more to owning a car than the purchase

price. The expense of operating and maintaining a car must also be considered. Your personal needs, such as transportation to and from work, distance to be traveled, pleasure driv-

ing, climate, family size, etc., are elements that must be considered in choosing your dream vehicle. The following check-off sheet will help you to narrow your choices.

How much can you afford to spend? Purchase cost \$ _____

Can you afford a new or used car? _____ Monthly payments \$ _____

Probable Use (Percentage)

Work/School _____% Other Uses _____, _____%

Pleasure/Recreation _____% _____, _____%

Combined Family Use _____%

Seating Capacity Needs

_____ 2 Passenger _____ 4 Passenger _____ 5 or More Passenger

Engine Size

_____ 4 Cylinder _____ 6 Cylinder _____ 8 Cylinder _____ Gas Mileage

Type of Engine/Transmission

_____ Front-Wheel Drive _____ Rear-Wheel Drive _____ 4-Wheel Drive

_____ Manual Transmission _____ Automatic Transmission

Body Style

_____ Compact _____ Mid Size _____ Full Size

_____ Sedan _____ Station Wagon _____ Sports Car

_____ 2 Door _____ 4 Door _____ Hatchback

_____ Van _____ Pick-up _____ Other _____

Accessories

_____ Radio AM/FM _____ Power Door Locks _____ Rear Window Defogger

_____ Power Steering _____ Power Windows _____ Other _____

_____ Power Brakes _____ Power Seats _____

_____ Air Conditioning _____ Tape Player _____

STEP 2

At this point, you may have already decided which make and model of car you would like. If not,

refer to newspaper ads or visit car dealerships to compare similar makes

of cars with your desired equipment and options. Record the results here.

Car No. 1
Make _____ Cost _____

Car No. 2
Make _____ Cost _____

Car No. 3
Make _____ Cost _____

Car No. 4
Make _____ Cost _____

Car No. 5
Make _____ Cost _____

Car No. 6
Make _____ Cost _____

Use consumer information publications, such as Consumer Reports, to see what they say about the cars you have considered. Record major advantages and disadvantages:

Car No. 1
Comments:

Car No. 2
Comments:

Car No. 3
Comments:

Car No. 4
Comments:

Car No. 5
Comments:

Car No. 6
Comments:

STEP 3

There are a number of DO'S and DONT'S you must consider when you are purchasing a new car. They are:

DO

1. Read popular and consumer magazines which compare performance, manageability, service, gas mileage, etc.
2. Look at a lot of cars, makes and models that interest you.
3. Set aside a month of evenings and weekends to look and visit several dealers.
4. Go for a ride in the vehicle you are interested in. Test-drive the cars yourself.
5. Read the literature the dealer has available on the cars of interest to you. Take copies of the brochures home with you.
6. Ask questions about performance, reliability, warranties, gas mileage, features, etc. Compare dealer responses to the national statistics.
7. Decide what you want. Write it down on paper with all your specifications.
8. When you find the car you want,

check its features against your list of specifications. Is it what you *want* and can *afford*? Does it fit your needs?

9. Make a list of the features you would be willing to sacrifice if cost or availability warrants it.
10. When talking to the dealer about costs, make sure that the price includes everything that it takes to drive it out the door (taxes, license, dealer preparation, etc.).
11. Have the dealer explain the provisions of the warranties that come with the car; understand the limitations.
12. Make it a practice to look and go away. Go back and look again, if necessary. Give yourself some time to really think about the car and your decision. Above all, know what you can afford.
13. When you actually go to purchase a car, take along an experienced adult or parent. They can be helpful in negotiating and in completing documents and forms.
14. Keep your emotions out of making a transaction. Use common sense; be practical; and back

yourself up with facts and figures.

DON'TS

1. Don't get carried away with gleaming chrome and bright paint inside the showroom.
2. Don't let the salesperson talk you into features you don't need or want.
3. Don't be too quick to make the deal when the dealer quotes you an offer. Don't be afraid to tell him you want to think it over and come back.
4. Don't let the salesperson pressure you into making a deal. Tell him/her that you are just looking now and you plan to go to other dealers. A "best deal" purchase on the spot can turn out to be a bad purchase.
5. Don't settle for the window sticker price. Sticker prices give you an idea of what a car will cost. When you are ready to buy, you can then bargain for a better deal.
6. Don't sign anything until absolutely ready to make a purchase.

Follow-up Activity

Use the following form to list and rank the specifications of your dream car. Consider your needs as listed in the table on page 4.

Specifications for Your Dream Car			
Items to Consider	1st Choice	2nd Choice	3rd Choice
Make of car	_____	_____	_____
Model of car	_____	_____	_____
Transmission			
Manual	_____	_____	_____
Automatic	_____	_____	_____
Car Accessories (rank in priority order according to your needs)			
Power Steering	_____	Power Seats	_____
Power Brakes	_____	AM/FM Stereo Radio	_____
Tape Player	_____	Cruise Control	_____
Air Conditioning	_____	Body Trim/Moldings	_____
Power Windows/Door Locks	_____	Rust Protection	_____
Rear Window Defogger	_____	Other _____	_____

Buying Your First Car

Remember, car accessories are optional. They can increase or decrease the cost of a car. When you're looking around for a new car, you can start with the base price of a standard "stripped down" model and add accessories according to what you can afford. Your willingness to sacrifice some accessories may reduce the cost of a car. However, you may have to wait for the car to be ordered and shipped.

Remember, too, that cars on a dealer lot or showroom floor already have many accessories added and will be priced accordingly. And, naturally, salespersons want to sell what they already have in stock. So be careful! There's room for negotiation. But this is the time when salespersons want to "make you a deal."

STEP 4

There are times when good deals are easier to make. Car prices may be cheaper:

- Just before new models come out. Last year's models may be considerably cheaper. However, you must consider the drop in

depreciation that will occur when the new models come out.

- During winter months, especially during a snow storm, dealer business is slower and they are eager to sell more cars.
- At the end of the month; some

dealerships have monthly quotas for their sales people.

- When companies run sales and rebate offers. Some companies promote sales with contests among their dealers and during holiday and seasonal specials.

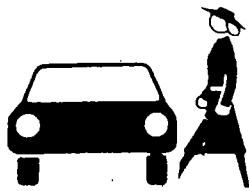
Follow-up Activity

Look and listen for newspaper, radio, TV, and other advertisements concerning car sales. Keep a record for one month. Record the following data.

Date _____
Dealership Placing the Ad _____
Type of Media Ad _____
(radio, TV, newspapers, etc.)
Regular Selling Price \$ _____
Sale Price \$ _____
Actual Difference in Price \$ _____

This activity will allow you to determine which dealerships give a real bargain. If you keep records for one year, you can determine the best months for buying a car.

How to Buy a Used Car



Depending on the make, model, body style and year of the car you want, you may be able to buy more for your money by shopping for used instead of new cars. But it takes a lot more knowledge and time to appraise a car that's been used rather than one that is new. And limited warranties usually accompany used cars.

Buying a used car involves most of the steps previously stated. However, used cars can vary greatly in quality and features. A good rule to remember when looking at used cars is, "The person that sold the car sold it for a reason." That reason may vary from just wanting to get a newer car or change models to getting rid of a real lemon. And you, as a consumer, may or may not be told the whole truth of the matter.

There are several things to remember when considering a used car. The following are some of the basic steps to take:

1. Know how much you have to spend or can afford.
2. Know what you want or would like.
3. Consider how long you plan to keep the car.
4. Have in mind your major use of a car.
5. Write down your specifications.
6. Check the classified ads for various models, years and prices.
7. Study consumer and automobile magazine reports.
8. List in priority order the options you want.

Where to Look for Used Cars

Generally you get less pressure or sales pitch from individual owners selling their cars. Often an individual can give you more information about the car, its maintenance record and general condition. Buying from a relative, friend or neighbor has advantages. You may know personally how the car has performed or been treated.

How to Appraise a Used Car

Some guidelines to consider when looking at a used car:

1. Inspect the car in daylight or in a well lighted garage.
2. Stand to the front, to the rear and then to the side so you can view the body. Check to see if the panels line up, and look for waviness in the sides which could indicate that body work has been done.
3. Examine inner fender panels to determine if the car was wrecked. Look for signs of welding or hammering when the outer fenders are in pretty fair shape.
4. Check for repainting. Look closely at emblems and other pieces of trim that show paint overspray.
5. Check for body work by tapping with your knuckles on various parts of fenders. Differences in sounds could indicate body work. Also, you can use a magnet, which will not stick to fiberglass body patchwork.
6. Look inside doors and fenders. A slight bubbling of the paint usually indicates rust possibilities.
7. Do the doors open easily?
8. Do all the windows go up and down easily?
9. Check the trunk for evidence of body work—on the inside of the rear fenders.
10. Check the general appearance of the trunk. Is it relatively clean? What does the spare tire look like? Is there a jack?
11. Check the car's interior. How does it smell? A moldy or musty smell may indicate a flood-damaged car. Dealers sometimes use a strong air freshener to cover flooded cars.
12. Does the interior look as though it has been cared for?
13. Check under the hood. Is the engine relatively clean? Is it spotless, or is it dusty with oil and grit? Sometimes an ultra clean engine indicates a prior steam cleaning to hide oil leaks.
14. Pull the oil filler cap and check for heavy deposits of sludge (a mud-like deposit). Use a flash light to check down into the filler opening. Even on high mileage cars the valve cover and engine should be free of a lot of sludge if the oil was changed regularly.
15. Pull the dipstick. Does it have any thick sludge on it? It should smell like oil not gasoline. Water droplets on the dipstick can mean problems, such as a blown head gasket, cracked block or a flood victim.
16. Check the air filter. Is it reasonably clean and not plugged up?
17. Ask the owner to start the engine with the hood up. Does the engine move a lot? Check for possible broken engine mounts.
18. Does the engine start easily and idle smoothly?
19. Check the exhaust pipe. Blue smoke while running usually means the car is burning some oil. This is expensive to correct. Black smoke usually indicates improper fuel mixture or need for a tune-up (not too costly to correct).
20. Is the engine loud? A ticking sound could mean a stuck valve or the need for a valve adjustment.
21. Accelerate the engine rapidly and quickly. A knocking sound during acceleration or deceleration could mean a bad rod bearing.
22. With automatic transmission cars, use the brake and move the selector lever through each possible selection. If the transmission is slow in shifting it may need servicing.
23. Check the transmission fluid level (usually in park or neutral). Is it low? If the color is brown instead of purplish red or if it smells burnt, the transmission is about to need service.
24. Check the undercarriage and the ground under the engine and transmission for evidence of oil leaks, especially after you have run the engine.
25. Check the tires. Uneven wear can indicate front end problems.
26. Check the exhaust system for leaks, cracks or excessive noise.
27. Check the inside of the rear wheels for possible brake fluid

leaks. Check the inside of front-wheel disk brake rotors for grooves or uneven brake wear. Check for thickness of front brake pads.

28. Do all lights and turn signals work?
29. Test drive the car and make the following checks:
 - a. Does the car run smoothly?
 - b. Run the car up to 50 MPH and then back it off by taking your foot completely off the accelerator. Check the rear view mirror. Is there blue smoke coming from the exhaust?
 - c. Does the steering seem firm? Are there any vibrations in the steering wheel?
 - d. Apply the brakes. Is there any pull to one side? Is there any grinding noise? Does the pedal feel firm or squeaky? Does the pedal return to the top of its travel?
 - e. Check heater, windshield wipers, air conditioning, door locks, safety belts, dash lights, etc.
 - f. When you return from the test ride, set the park brake and let

the engine idle. Lift the hood and remove the oil filler cap again. Does smoke pour from the opening? Excess smoke indicates a hot running engine or sludge-filled valve cover.

- g. Check engine sound again. It should not change from when first started. It could be a little quieter. More noise may indicate excessive engine wear.
- h. During the course of checking out the car, ask the owner questions such as:
 - Did the owner buy it new? How many people now drive the car? Has the engine ever been worked on? Does he/she service it themselves? If not, who does the service work? How many miles ago was the front end aligned? When was the last brake job done? What kind of gas mileage does the car get?

You can then check the owner's honesty with your observations. If you have any doubts, ask the owner

if you could have a mechanic check it out. And it would be helpful to talk with whomever has been servicing the car. If you decide that the car is acceptable to you and you agree to the price, before you hand over your money, you may want to check the following:

- Make sure the title is clear and transferable.
- Will the owner warrant the car in any way?
- Will the owner have the vehicle inspected (if an inspection is required in your state)?
- Are there any return policies? This is especially appropriate for a dealer purchase.

There are ways to hide defects in cars. Used car dealers are often masters of this disguise. You must become knowledgeable of what to look for and conduct a thorough check. Try to talk with people who may know or have serviced the car. The more you know, the better consumer you can be.

Follow-up Activity

Use this checklist to rate a used car that you may be interested in. Or, just for the practice, you may want to run the check on a car belonging to a friend, relative or family member, if the car is at least two years old. You may even want to answer an interesting classified ad in your newspaper.

For each item listed, indicate a (+) meaning good, a (-) meaning poor, or a (0) meaning fair. The starred items are critical.

Used Car Checklist

Body panels—body work, shape, paint overspray, body alignment

Lower body panels, rust or hidden rust-painted cover up

Truck (evidence of body work or damage)

Spare tire and jack present

Condition of spare tire

Lights work

(headlights, dashboard and interior lights)

(brake, tail, backup and license plate lights)

(turn signal and 4-way emergency flashers)

	+	0	-

Doors and window operation

Interior appearance—check for odor, stains, mold and cover up

Accessories work

windows

seats

radio and tape player

air conditioner

defroster/rear defogger

heater

washer and wiper

horn

	+	0	-

