



Upcoming Events

Auto Loans and Car Insurance
3/21 @ Noon, Virtual

4th Annual Financial
Professionals Fair
4/6, 5:30-6:30 pm
Wellness Center Auditorium

SIGN UP NOW



Deadline!

April 14th

**Deadline to return Spring 2023
student loan money**

April 17th - 20th

Get Piggy With It!

**Find a Piggy Bank and return to
Office of Student Financial
Literacy for a prize**



WHAT TO CONSIDER WHEN BUYING A CAR?

Buying a car is a large purchase that requires time, money, and energy. Avoid impulse buying to ensure that the car will fit your needs.

Research:

Take the time to research reliability, functionality, safety, maintenance, cost of gas based on the average miles you drive per week, and insurance costs. Ask current owners of the vehicle for reviews to make an informed decision.

Determine your budget:

Determine how much you can safely spend on a car plus the additional costs discovered when researching. Be cautious of the "how much per month" sales tactic. You want to determine the total cost, also known as the out the door cost, of the vehicle. Often, the monthly payment is affordable, but when you consider the interest and the term length the cost becomes unreasonable. Ask yourself, "Can I afford the car, insurance, and gas?" If not, find a different vehicle.

Shop around:

Once you have identified the target vehicle, shop around. You can use other dealerships to negotiate your deal. It is best to keep your target price or total you are willing to spend to yourself. If financing the car, look at banks or credit unions to finance your purchase prior to going to the dealership. This gives you an additional bargaining tool with interest comparisons.

When you have found the right vehicle, for the right price, act on the deal after thinking overnight and reading the fine print. This waiting period enables you to leave the emotion out of the purchase and avoid impulse or pressured buying.

Car Buying FAQs

Should I lease a car?

Lower monthly payments entice consumers into leases. At the end of the lease period, the owner can return the vehicle to the dealer or opt to purchase the car. There are mileage limits and often upfront fees for leasing. These limits, along with the purchase price at the end of the lease, often mean that leasing is more expensive in the long run.

Should I buy a new or used vehicle?

Your budget and needs in a vehicle will help you determine if you should buy new or used. New cars depreciate the moment they are driven off the lot. Newer cars tend to be more expensive to insure, but are likely to have less car maintenance in the first few years. Used vehicles should be checked out by a third-party mechanic prior to purchasing to ensure reliability. Used cars cost less and are cheaper to insure.

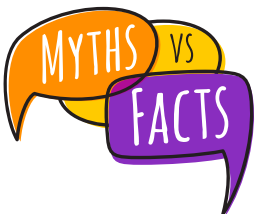
Is trading my car better than a private sale?

Comfort level will help to determine what is best for you. Private sales are likely to bring more money in while trading in a vehicle will be easier due to simplicity. Research the process for private sale in your state. Online companies, such as Carvana and Carmax, make the selling process easier. Get a few quotes to help determine if the trade off is worth it for you. There is no right answer.

Where can I find accurate car pricing?

Use Kelly Blue Book or Edmunds to help price your vehicles. Location is a factor in car pricing so be sure to research a few locations.

Research car values before purchasing, selling, or trading in a vehicle. This will give you negotiating power.



Drive like the wealthy. The IRS determined that 2% of American households make more than \$250,000. So what do the wealthy drive?

61% of the wealthy people drive Hondas, Toyotas, and Fords.

- Dave Ramsey Millionaire Study

Does My Credit Score Impact the Interest Rate?

Yes, your credit score will impact your car loan's interest rate. It has an inverse relationship. The higher your credit score, the lower the interest rate is. Conversely, higher interest rates will be given to those with lower credit scores. Review your credit score to understand how this will impact your loan. Higher interest rates mean you will pay more for the car over time. Reduce costs by increasing your credit score during the research phase of the car buying process. You can also reduce total costs by putting a larger down payment down and reducing the term length.



CONNECT

Phone: 843-792-7744

Email: financialliteracy@musc.edu

Address: Student Harper Center, SS 440

Website: <https://education.musc.edu/students/enrollment/financial-literacy>

