

Collage of Two Cars

Evaluate the impact of major purchases on budgeting (e.g., automobile, housing).

You have been using a budget for 2 months and have been able spend less than what you are making. You know that within the next year you will need to buy a new or newer car.

Your job is to find 2 cars that you would like to have and compare the costs of each using the internet. You will need to figure out the monthly cost for 3 and 5 years.

Make a collage of the 2 cars and the extras that each would have. Include the cost breakdown for the 3 and 5 years on your collage.

The final question is: Can you afford the car and all of the extra expenses that come with it?

Go to

http://www.handsonbanking.com/nav_elements/teachers_guide_PDF/YA_T_Guide.pdf

Pages 63-74

Key topics discussed on this website include:

- Do you really need transportation? What other options are there?
- Is it worth the extra expense?
- Is it possible to rent a car?
- Is it realistic? Do some research.
- What kind of car do you need?
- How much can you afford?
- What's your budget?
- Should the car be new or used?
- How should you shop for a car?.
- How should you handle the financial transaction?
- Should you buy the car?
- A third option is to lease a car.
- If you decide to get a car loan, be sure to shop for your loan
- You need to make sure you have a monthly payment you can afford.
- Also, consider the other expenses that go along with new car ownership such as insurance, gas, maintenance, and repairs.