Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Class #:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Buying a Car (updated version☺)**

1. Write the amount that you can spend monthly on a car payment (from your monthly budget sheet on the line for car payment). Should be 10%: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. The average car payment runs $16.67 for every $1000 financed for 60 months. So, divide the amount from line 1 above by 16.67 and multiply by $1000. That is the total price of the car that you can afford:

Line 1:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ divided by 16.67 and then multiplied by 1000 = $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Total sales price that you can afford)

3. Look for a car that has a total sales price that is equal to or less than the ending amount in #2. Cut out the ad or print out the page off the computer. Paste it here or attach it to this paper.

4. Actual cost of transportation: The other 5% that is included in the monthly budget is for gas and insurance. It will be hard to figure out what gas mileage the car that you found would actually get, and insurance costs depends on a great many factors. So, you will estimate 5% of your net monthly income:

Cost of insurance and gas:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

5. Total transportation costs:

Write your actual sales price of the car that you found:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

To figure monthly payment: sales price multiplied by .01667:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Add the 5% from question #4: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(This is your total monthly transportation cost.)