

## When Porsche Comes to Shove, Save Your Money

For most families, the biggest expense they face after the cost of their home, is their car or, in many cases, cars. Even moderate savings on the purchase and maintenance of your vehicles all add up to significant dollars. Credit Counsellors Dave Pearson and Heather Cudmore have the following suggestions to help you save money when it comes to your car.

### BUYING A CAR

Because depreciation is so high in the first few years of a car, it is better to purchase a used car. Look for a car that is a couple years old that still has a few years of warranty remaining and has relatively low mileage.

However, don't just walk into a dealership and buy whatever they have in the lot. Take time to research and make sure you buy yourself a good car. For around \$5, pick up the most recent copy of "Lemon-Aid, Used Cars and Minivans" by Phil Edmonston. Also check consumer reports to find out about the car's transmission, body and motor's record of repair. CAA also produces an annual guide that states record of repair and customer satisfaction with different car makes.

Always buy a used car from a new car dealer. If you buy from a new car dealer, you know they will be there if you have a complaint. It's not a good idea to buy a car from a stranger.

Have a mechanic you know or have dealt with in the past look at the vehicle before you purchase. If the seller won't allow this, ask yourself, *what have they got to hide?*

### FINANCING

Before you go car shopping, look at your budget and your income minus your expenses. From that you can devise how much you can afford to dedicate monthly to your car costs, and that must include, not only the car payments, but the insurance increase, repairs and gasoline as well. Keep that number in mind when you shop, otherwise you may find you've come away with a \$600/month car, but you can only afford a \$400/month car.

Financing through a dealer is usually expensive. If your credit is good, go to a bank first to find out their interest rates. Once you know the interest rate, multiply the payments by the number of months you are paying to determine what the vehicle will cost you in the end.



Auto leasing is not a good option unless you are self-employed and can claim it as a business expense on your tax return. It may seem less expensive in the short run, but it is more expensive in the long run. You are also responsible for the repair costs on a vehicle you don't even own and are expected to complete regular maintenance, tire rotations etc., at your own cost. In addition, if you go over the kilometres on an auto lease deal, you pay a very high price.

### **CAR REPAIRS/MAINTENANCE**

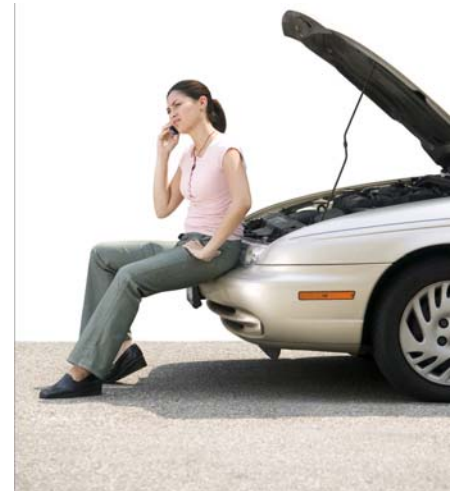
Find a mechanic before problems arise to ensure that you're not stuck at the last minute. Look for a well-established mechanic that is certified, CAA accredited, respectful and straightforward. A referral from a friend is often the best resource. If dollars are not an object, you may find that it costs a bit more, but that you are more satisfied in returning for maintenance and repair work to the dealership where you purchased your car. They will be familiar with the car and often will do a better job.

It does help to know a little about cars when you talk to a car person, otherwise, the language seems exotic and you leave yourself vulnerable. General repair information seminars are often offered in the community and there are books to help improve your car knowledge. If you are not car knowledgeable, take a friend with you who is knowledgeable whether buying or repairing a car. It's always good to have an ally with you.

Get your estimate in writing. According to the Motor Vehicle Repair Act (MVRA), the final bill cannot be more than 10% greater than the estimate without your consent.

### **GASOLINE**

Dollars saved on gasoline add up over the course of a year. If you're filling up weekly, you can multiply your savings by 52 to see how much you really are saving. Go through the self-service lanes, use lower octane gas, get regular car repairs and oil changes, inflate your tires at least one a month, fill up on Tuesdays before the long weekend, and don't drive when it's close enough to walk. Consumers are not loyal to certain brands anymore, so take advantage of those gas stations that offer a savings that will benefit you. If you fill up at Canadian Tire, you get Canadian Tire dollars; at Sunoco, you get points toward your CAA Membership.



Because cars are a major household expense, savings in both purchasing and maintenance of your vehicles can bring substantial financial rewards.