



Overview

Buying a used vehicle is probably one of the largest purchases a teenager will make. While car dealers sell cars every day, the average teen has little or no experience buying a vehicle. Being an informed consumer, preparing for the purchase, and being strategic can make the process less stressful and much more rewarding.

Lesson Objective(s)

Review basic information related to the process of purchasing a vehicle.

Fast Facts

- A vehicle is a depreciating asset.
- Teenagers and young adults without a credit history often need an adult co-signer for a car loan.
- Insurance company data shows teenagers are the most expensive drivers to insure and most likely to engage in distracted driving.

Time

1-2 class periods

Background

The starting point for purchasing a vehicle is asking two basic questions:

1. How will I afford to buy a vehicle?
2. What is the price range that I can afford?

There is no doubt that buying a vehicle is a major purchase. For most consumers, transportation costs are a significant part of the monthly budget. Typical expenses include car payments, insurance, gas, and routine maintenance. Setting aside money for unexpected repairs is an additional expense that should not be overlooked. It's also important to look past wants and focus on needs – while you may have your “dream” car, starting with a safe vehicle you can afford is a mature decision.

Purchasing a vehicle can be divided into several steps:

1. Select the appropriate vehicle
2. Negotiate the purchase price
3. Acquire the most advantageous financing

The well-informed consumer is thoughtful about each step in the process. There are hundreds of vehicles and thousands of dealers to choose from. Negotiating a “good deal” takes patience and an understanding of the process.

Materials

- Buying a Used Car Vocabulary Worksheet
- Buying a Used Car Vocabulary Prompts
- How to Shop for a Car ConsumerMan Video
- Just the Facts: Buying a Used Car Activity
- Just the Facts: Buying a Used Car Activity Key

Resources

Buying a Used Car from a Dealer, provided by the Federal Trade Commission (FTC)
LINK: <http://www.consumer.ftc.gov/articles/0055-buying-used-car>

Buying a Used Car, also by the FTC, provides even more information
LINK: https://www.consumer.ftc.gov/articles/pdf-0077_buyingusedcar.pdf