

Name: Click here to enter text.

Period: Choose a period.

Car Buying Project

The project will be web based where you will shop online for a new or used car that you would be interested in buying. After you have chosen the vehicle you would like to buy you will need to record some specific information about your future vehicle. Since you have just graduated from high school and got a job you will now need to get a loan from the bank so you can make payments on your auto. To determine how much you will be paying in car payments for a month you will need to use a loan calculator on the internet, the address will be provided for you. After you have done this we all know we cannot legally drive on the road without first having auto insurance. You will then go to an auto insurance website and obtain a free quote for how much you will pay for auto insurance.

We all know owning a car is a big responsibility both personally and financially. After you buy your car your expenses do not end there. You will now have to roughly calculate how much money you will spend on gas given the average fuel mileage of your car, how many miles you will drive per year and current gas prices. You will also need to find the cost of your vehicles registration and approximately how much you will need to spend on inspections every year. Buying your first car is an exciting time in your life, but a decision that is very important and one you need to take seriously, so take this project seriously and approach it like you were actually going to buy the car.

Step 1: Finding the right car for you!

It is time to find the car that best fits your style. You may use ANY vehicle website (dealers, manufacturers, etc.) to find your information. You may also use a general website such as www.cars.com.

When you find the car that you would like to purchase, answer the following questions.

What is the...

Make: Click here to enter text.

Model: Click here to enter text.

Year: Click here to enter text.

New or Used: Choose an item.

Why did you select New/Used? Minimum 1 paragraph. Use complete sentences.
[Click here to enter text.](#)

Price: [Click here to enter text.](#)

How many miles has the car already been driven? [Click here to enter text.](#)

What is the gas mileage for your car...

in the city? [Click here to enter text.](#)

highway? [Click here to enter text.](#)

and its average gas mileage [Click here to enter text.](#)

Standard or automatic: [Click here to enter text.](#)

Number of cylinders: [Click here to enter text.](#)

Other specific features your car has and any reasons for choosing these:
(Minimum 1 paragraph)

[Click here to enter text.](#)

What was the main reason you chose this car?

(Minimum 1 paragraph)

[Click here to enter text.](#)

Loan calculator

Now that you have chosen your vehicle you will need to determine how much you will be paying per month for your car payment. Below is the address where you can determine your monthly payments based on some parameters.

<http://www.cars.com/go/advice/financing/calc/loanCalc.jsp?mode=full>

Since this is the very first car you will ever own you do not have a car to trade in. You do know that **in Pittsburgh, the average interest rate for someone with good credit is 2.91% (new) and 3.14% (used). Also, the average American makes a down payment of 10% of their car.** You will determine the monthly cost and total cost using both scenarios, 10% down payment and 0% down payment. You will be able to change the amount of your monthly payment based on the length of your loan. So using the price for your car, determine the amount of your monthly payment based on the length of the loan, the total amount that you will pay for the car and the total amount of interest that you will have to pay.

Pennsylvania Sales Tax information: Pennsylvania sales tax is 6% of the purchase price or the current market value of the vehicle (7% for residents of Allegheny County and 8% for City of Philadelphia residents).

<p>Hint: Monthly Payment – Use website calculator tool Total \$ you pay = (Monthly Payment x number of months) + Down Payment Total \$ of interest = Total \$ paid – Original cost of the car</p>
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Car payments with a 10% down payment and a 2.91% (new) or 3.14% (used) interest rate.	Car payments with a 0% down payment and a 2.91% (new) or 3.14% (used) interest rate.
Original cost of the car: Enter text.	Original cost of the car: Enter text.
Down payment amount: Enter text.	Down payment amount: \$0.00
<p><u>36 Months:</u> Monthly payment: Enter text. Total \$ you pay for vehicle: Enter text. Total \$ of interest for vehicle: Enter text.</p>	<p><u>36 Months:</u> Monthly payment: Enter text. Total \$ you pay for vehicle: Enter text. Total \$ of interest for vehicle: Enter text.</p>
<p><u>48 Months:</u> Monthly payment: Enter text. Total \$ you pay for vehicle: Enter text. Total \$ of interest for vehicle: Enter text.</p>	<p><u>48 Months:</u> Monthly payment: Enter text. Total \$ you pay for vehicle: Enter text. Total \$ of interest for vehicle: Enter text.</p>
<p><u>60 Months:</u> Monthly payment: Enter text. Total \$ you pay for vehicle: Enter text. Total \$ of interest for vehicle: Enter text.</p>	<p><u>60 Months:</u> Monthly payment: Enter text. Total \$ you pay for vehicle: Enter text. Total \$ of interest for vehicle: Enter text.</p>
<p><u>72 Months:</u> Monthly payment: Enter text. Total \$ you pay for vehicle: Enter text. Total \$ of interest for vehicle: Enter text.</p>	<p><u>72 Months:</u> Monthly payment: Enter text. Total \$ you pay for vehicle: Enter text. Total \$ of interest for vehicle: Enter text.</p>

After you have done the loan calculator you must choose the payment plan that you believe would be best for you **remembering you have other bills throughout the month to still pay for other than your car payments.**

Which is the car payment plan you chose and **why**?
(Minimum 1 detailed paragraph. Use complete sentences.)
Click here to enter text.

Insurance quote

Now that you have decided on the car and payment plan, you need to purchase car insurance or the dealership will not let you leave with your car. To get an idea of what you will have to pay per month, we will need to get a free auto insurance quote from Nerd Wallet (used because it doesn't require personal information). If you find another site that offers free quotes and you want to compare them that would be ok.

<http://www.nerdwallet.com/insurance/compare-car-insurance-rates/>

Based on the rates, which insurance company will you choose?
(Note: USAA only available to members in the Military)
Insurance Company: Click here to enter text.

CLICK ON 'View Coverage Details' in the top right hand corner.
Read the explanation about the differences between **minimum, basic, extended, and premium** coverage.

- Which would you choose? Choose an item.
- Why? (Minimum 1 paragraph. Complete sentences)
Click here to enter text.

What is the total amount that you will pay for insurance for **your** coverage (use rates from the coverage you choose above):

- one month: Click here to enter text.
- one year: Click here to enter text.

The amount that you are charged for your insurance can change based on the amount of your deductible.
Define Deductible: Click here to define deductible.

How do you think your insurance rate will be affected if you have a low deductible and why?
(Minimum 1 paragraph with complete sentences)
Click here to enter text.

Now that you have your quote, we are going to examine some other costs that occur while owning a car.

Registration Fees: Every year you need to register your vehicle with the Department of Motor Vehicles so they know if you are still driving it or not. Below is the address for the DMV, find out how much it costs a year to register your car.

Step 1: Go to <http://www.dmv.org/pa-pennsylvania/vehicle-registration.php>
Step 2: Scroll down to "Vehicle Registration"
Step 3: Scroll down to "Calculate the fees"
Step 4: Read

Cost of registering your car: [Click here to enter text.](#)

General upkeep and maintenance

You also need to be concerned with the general upkeep of your car along with how much it is going to cost to keep gas in your car. This include regular oil changes after 3000 miles, two new tires every year for western Pennsylvania's winter weather adventures, a Pennsylvania state inspection, and other car problems that could possibly occur. Below is a list for you to fill out that will help you calculate the other yearly costs of operating your car.

1. The average number of miles driven per year by Americans is 12,000.
 - a. How many times will you have to change your oil then? [Enter text.](#)
 - b. *If you will change it yourself, go to letter d, if you plan on having your oil changed by professionals go to letter c.*
 - c. What is the average cost of an oil change? [Enter text.](#) Now multiply that number by how many time a year you will need your oil changed. Total yearly charge = [Enter text.](#)
 - d. For the do-it-yourselfers, you need to determine the number of quarts of oil you will need every year, the number of oil filters you will need, we will assume you have the wrenches to complete the job, but you will need to buy some ramps so you can get to our oil plug.
 - i. Number or quarts of oil: [Enter text.](#)
 - ii. Total cost of oil: [Enter text.](#)
 - iii. Total cost of all filters: [Enter text.](#)
 - iv. Cost of two car ramps: [Enter text.](#)
 - v. Total yearly cost for your oil changes: [Enter text.](#)
2. Since the average number of miles driven is 12000, we are going to determine how much money you will spend in fuel for one year.
 - a. Does your car run on gasoline or diesel? [Choose an item.](#)
 - b. What is the average fuel mileage of your car (from page 1): [Enter text.](#)
 - c. What is the average cost of 1 gallon of fuel? [Enter text.](#)
 - d. Find the total cost of your fuel for one year: [Enter text.](#)
 - i. *Hint: (number of miles driven / avg. fuel mileage)(avg. cost of 1 gal. of fuel)*
3. What would the cost of 2 new tires for your car be? [Enter text.](#)
 - a. Site where you found this: [Click here to enter text.](#)
4. What is the average cost of a Pennsylvania State Inspection? [Enter text.](#)
5. Estimate the amount (if any) that you may spend on other car needs (transmission fluid, spark plugs, car wash, air fresheners, cleaned seats, etc.): [Enter text.](#)

Totaling your expenses

Now this covers all of the basics of the responsibility of owning and operating a car. What you will do now is determine how much your car will cost you per year and then per month and determine whether this is a reasonable amount for you.

Amount paid yearly in car payments (monthly payments)(12)	Click here to enter text.
Amount paid yearly in car insurance	Click here to enter text.
Amount paid yearly in registration	Click here to enter text.
Amount paid yearly for PA Inspection	Click here to enter text.
Amount paid yearly for oil changes	Click here to enter text.
Amount paid yearly for fuel	Click here to enter text.
Amount paid yearly for other	Click here to enter text.
Total amount paid yearly	Click here to enter text.

Now that you have the amount you will pay over one year for your car, determine how much you will pay on average for one month:

Monthly amount: [Click here to enter text.](#)

Does this seem realistic? Choose an item.
Why? (Minimum 1 paragraph. Complete Sentences)
[Click here to enter text.](#)

What are some things that you think you would do differently to help reduce the cost of your car? (Minimum 1 paragraph. Complete Sentences)
[Click here to enter text.](#)