

Car Search

Today you will be researching a car that you like and **can afford**. If you have been designated on your life scenario card as having 2-3 cars just double the amount that you spend on one car for your budget sheet.

1. Remember your car payment should only be 10% of your monthly salary. (Don't Forget your Spouse!)
2. $10\% * \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$ monthly salary maximum you can spend on one or two cars

Use the following directions to research your car:

- a. Use safari and sites like cars.com to find a car you like and think you **can afford**.
- b. Use the worksheet below to determine your monthly car payment. If you can afford one of these payment choices you may go on. **If you cannot afford one of these payment choices, then you need to search for a car that is less expensive.**
- c. TRY 1st before asking!!!!!!!!!!!! Raise hand quietly to get help.

Most people do not have enough money to go out and buy a car without using a loan. A loan is where you borrow an amount of money and pay it back a little at a time with a little extra for interest (this is how banks make money on loans).

Most car loans are given for 36 months to 60 months. Using the chart below and the price of the car you have found, determine how long you want to repay the loan and which payment is within your budget. Remember the amount from the front of this worksheet to see what you can afford!!!

	3 Years	4 Years	5 Years
Purchase Price <i>amount from Internet</i>			
Tax 7% <i>take .07 X Purchase Price</i>			
Loan Amount <i>Purchase Price + Tax</i>			
Interest at 9% <i>take .09 X Loan Amount</i>			
Total Cost <i>Add first 4 above</i>			
Number of Months			
Monthly Payment <i>Divide by # of months</i>			
Car Insurance + \$70 for 1 car +135 for 2 cars +195 for 3 cars			