

Transcript Season 1: Episode 15 – Buying a Car

Podcast Opener:

Adulting – Thinking of all the things adults have to do can be intimidating. Maybe you are realizing just how much you don't know about living on your own. If this sounds familiar, join us today to learn the skill you need and take some of the stress out of being an adult.

This is Grown Up U, an adulting podcast to help you navigate the twists and turns of adult life. Listen and get life skills you didn't learn in school.

Podcast Script:

Mary Ann Kizer: Good Afternoon! My name is Mary Ann Kizer and I'm the Jefferson County Family & Consumer Sciences Agent in Pine Bluff, Arkansas. And today I have with me a guest.

Kurt Beaty: Kurt Beaty, Jefferson County Agricultural Extension Agent.

Mary Ann Kizer: So today Kurt and I are going to be discussing vehicles because many people who are in Arkansas have to have a vehicle to get somewhere. We don't have a lot of mass transit.

So, the first thing you want to consider when you are looking at buying a vehicle is budget. So, you do not want to exceed 20% of the money you have left after paying your monthly living expenses, such as rent, mortgage, utilities, food, and credit cards. And then you have to remember that there will be additional costs such as fuel, insurance, license, registration, and property taxes.

Kurt Beaty: Also, plan on putting down at least 10%, or more, is better to reduce your monthly payments.

Mary Ann Kizer: Okay, now Kurt and I are going to talk about two different kinds of vehicles – either a new or a used. And so, if you're not making much money, you may look at used and if you are making more money, you'll look at new.

So, there are several questions you want to ask the dealer. The first one is, "Is the car actually on the lot?" And that is because dealers advertise online and so when you are advertising online, they will show all these vehicles, but they may not actually be there. And then you want to know the real price of the vehicle.

And Kurt, why would you want to know that?

Kurt Beaty: Well, if the vehicle has any after-market equipment added. This could be special wheels, tinting of the windows, things like that. And then also, you want to look at mileage. So, you want to know how many miles the car has on it. So, some new vehicles have like 5,000 miles and you want to know where those miles accumulated from.

Mary Ann Kizer: Okay. And then you want to ask the dealer what kind of interest rate he's providing and that may depend on your credit score.

And then you want to know how many years that he will finance that vehicle because now people are going 5, 6, maybe even 7 years with financing a new vehicle. So those are some of the things about a new vehicle.

So, let's switch to a used vehicle. So, first thing you want to ask a dealer is, "Where did it come from?"

Kurt Beaty: When buying a used vehicle, always ask for the CarFax report. (<https://www.carfax.com/>) And then ask who serviced that vehicle. Was it serviced by a dealer, was it serviced by the person who that owned it, or how did that service get done?

Mary Ann Kizer: And then you want to know about test driving. Now it is normal for people to test drive a vehicle overnight. So, they may want to drive it like 30 miles to see if it is going to work out for them.

Then you want to ask the dealer if it's a cash discount because you may want to borrow money from your parents, or your uncle, or brother or sister and pay cash.

Kurt Beaty: If you have a trade-in, you always want to do that last. Get the cash price and then offer that trade-in if you have one.

Mary Ann Kizer: And if you are thinking about trading in, make sure that you bring your vehicle's title with you. And what else do you need Kurt?

Kurt Beaty: You need a copy of your credit report. Also, get a Kelly's Blue Book value on your vehicle. (<https://www.kbb.com/>)

Mary Ann Kizer: And then you want to check the price on paperwork. You don't want to just have whatever the dealer is quoting you out loud. You want him to write it down. And then make sure you know what dealer fees are included in the price.

Kurt Beaty: Financing terms. You will want to know your interest rate and the number of years you have to pay on that vehicle. Also ask what the warranty covers and make sure you are aware of how long your warranty lasts.

Mary Ann Kizer: And then the mileage on the used vehicle, it is against the law for anybody to change the odometer but sometimes they do that, so you want to make sure that the mileage is true.

Now, we've talked about a lot of different things that you want to be considering in the new car, used car, trade-in, and there is an Edmund's True Cost to Own Calculator

(<https://www.edmunds.com/tmv.html>) that you can use to look at the 5-year cost of buying and owning a vehicle. You can look that up online.

You can also go online and look up different things at the library, you can have the Kelley's Blue Book that Kurt referred to, look in Consumer Reports, and there is also an Edmund's True Cost Calculator.

And we're so glad to have you with us today on our Grown Up U Podcast. If you need more information, contact your local Extension Office, or look up online as I said for more information.

Thanks for being here today, Kurt.

Kurt: Thanks Mary Ann, glad to be here.

Podcast Closer:

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