

## The Basics of Buying a Car – Outline

Always encourage your students to take notes. Also, remember to leave yourself 5 minutes before the end of class to go over the post-test and collect them!

➤ **Making a connection to students | 2 minutes**

1. Introduce yourself: Name, employment or volunteer work, and why this topic is important.

➤ **Begin class: | 3 minutes**

Ask students if anyone has purchased a car. For those who respond yes, ask them if they borrowed money from a lender. If yes, ask them about their experience. If no responses to these questions then ask who wants to buy a car.

➤ **Instruct students to open their books on page # 2**

I. **Before You Shop | 20 minutes**

1. **The Basics-**

1.1. Explain that there is more to buying a car than people think. Ask students to follow you on page #2 and read the bullet list under letter 1A aloud.

2. **What is your car Budget?**

Remind students to consider their needs more so than their wants and ask them if they can give you some examples of needs versus wants.

2.1. You read aloud heading 2- “What is your car budget?” and then ask for a volunteers to read line 2.1

2.2. Write the words **Car Payment/Car Note & Installments** on the board and read aloud or summarize line 2.2. You can provide an example of the definitions. If no examples, explain in your own words how this will affect their budget. For example, a car note will increase their monthly expenses. Car notes or car financing will be listed on one's credit reports.

2.3. Have a volunteer read aloud 2.3- “Insurance Cost.” Make sure students understand the terms **credit score** and **insurance premium**. It is best to write them on the board.

2.4. Write the words **maintenance and repairs** and summarize the information under 2.4. However read aloud the bullet point in bold letters on the bottom of the page.

2.5. Show students the chart on page 3 that displays difference in gas costs for various types of cars.

- Ask students to identify the most fuel efficient car. **(2015 Toyota Prius)**
- Ask students if they had a family-owned landscaping business which of the cars would be best for that business, and how much would it cost to fill the tank.

3. **Buying New vs. Buying Used Cars**

3.1. Have students look at the chart on the bottom of p.3/top of p.4 and briefly summarize the headlines under the benefits and drawbacks.

3.2 After reading through the chart, ask students which they would prefer to purchase and why.



3.3 Ask students to share experiences if they or someone they know has ever purchased a new or used car. If not, perhaps, you have a story to share.

II. **Now you know what you want...What's next? Pages 4-5 | 15 minutes**

1. Write the word **Finance** on the board and have the students repeat after you. Next, read the paragraph aloud and ask them to follow along.
2. **IMPORTANT**-Explain that as long as they are making monthly payments, the lending institution owns the title of the vehicle. **POST COURSE SURVEY QUESTION**
3. **Other Factors that affect your monthly payment.**
  - 3.1. Have students read numbers 1 and 2 (**down payment and loan term**). Here you should emphasize again the importance of saving money.
  - 3.2. In number 3 (**property vehicle tax and tags**) many students are not aware of this cost. Read this section completely and then ask if they have any questions.

III. **Important Next Steps Pages 4-5 | 15 minutes**

A. **Can I afford these payments?**

1. Remind students that it is important to stay on budget when buying a car.
2. Summarize numbers 1 & 2.

B. **Try before you buy**

1. Ask students if they or someone they know has ever test driven a car. If some respond yes, ask them to explain why they did it and to briefly share their experience.
2. Have students read aloud numbers B1-3. Emphasize the importance of getting a used car checked out by mechanic, and always test drive.

C. **Where Can I Research my Vehicle options?**

1. Ask the class what advice they would give a friend who is looking for a good and affordable car. What can their friend do before going to a car dealer? Perhaps, students know that they need to do their homework (research) before going to the car dealer. If not, write the word **research** on the board and have students repeat it with you. Briefly, explain the term.
2. Mention the websites on p. 5 and tell students to check out the sites after class. However, explain that some consumer websites might charge them for valuable information about the car (e.g., Car Fax).
3. Have a volunteer read aloud number 5. While they read write the word **Negotiate** on the board and have them repeat it after you.
  - a. Ask students for its meaning and if most know then ask for volunteers to read aloud B & C's bullets.

4. **Car Affordability Activity (p.4)**

1. Read aloud the first paragraph as students follow along. Josefa (*Hoh-Sefah*)
2. Have a student read aloud all the steps.
3. Together with the class figure out the correct order of the steps that Josefa should follow.  
**Buy insurance \_6\_ Negotiate the sales price down \_4\_ Apply for a car loan from a financial institution \_5\_ Test Drive the Vehicle \_3\_ Obtain Car Fax Rep \_2\_ Research the year, make and model of the car \_1\_**

Reading



Summarize

Conversation Starter



Reading



Activity



**Activity**



**True or False Exercise: (This is not in their books)**

- a. It is important to know how much money you bring home each month and what your expenses are before deciding to buy a car. **(True)** Why?
- b. Car dealers don't allow potential clients driving the car to see how it feels/works before buying it. **(False, Test Drive Always)**
- c. In the U.S. is not a good idea to negotiate the price with a car dealer **(False, Always Negotiate)**
- d. The better prepare you are with information about the car, the more power you have to negotiate with the car dealer. **(True)** Why?
- e. Some websites offer free information and others you have to pay to obtain information about the car **(True)**

**IV. Important Car Terminology Pages 6-7 | 10 minutes**

1. As you go through this section, have students repeat after you each of the headings A-F and any other underlined term. Write these terms on the board and make sure to explain the definitions.

1.1 Read number A.1 which explains the meaning of Depreciation and briefly summarize the rest. **THIS IS A POST COURSE QUESTION**

1.2 Ask for a volunteer to read aloud B1- Car Title. Show them the example of the title on Page # 7 and highlight the information that is usually found in a Car Title.

**Remember to inform them that the lender holds the title until the car is completely paid off.**

1.3 Ask for other volunteer to read C1- "As is..." and D1- "Options." Remind students that adding extras/options will increase the cost of the vehicle.

1.4 You read aloud or summarize E1 "Service Contract" and F1 "Repossession" Remind students that a car is collateral when financed and if they Default on their loan then the bank can repossess their car.

1.5 Case scenarios-

- a. Gina was very surprised when two men came to her house and towed away her car. They told her they were repossessing the car. What do you think happened? **(She probably had defaulted/ stopped paying her car loan payments).**
- b. What can someone do if he/she is having problems making the loan payments? **(It's always a good idea to talk to the lender before stopping payments completely).**

**V. Should I lease? Page 8 | 10 minutes**

- 1. Start by asking the class what they know about leasing a vehicle. Write a few of their answers on the board.
- 2. After this brief discussion, have a student read the top paragraph on page #8.
- 3. Read through the advantages/disadvantages chart and then create this chart on the board. Next, read each option allowed and whichever column has the most "yes" answers will help guide them in their planning. **The students DO NOT have this chart in their book.**

Should I buy or lease?	Buy	Lease
I plan to keep the car for longer than 3 years.	Yes	
I own a business and will drive the car for business purposes only.		Yes
I like driving newer style cars every three years.		Yes
I drive many miles every month and do not want to be restricted in mileage.	Yes	
I want a car just to go to work and to drive around town.	Yes	
I want to pay cash for a vehicle.	Yes	

**Reading**



**Conversation Starter**



**Reading**



**Conversation Starter**



VI. **Smart Car Shopping Reminders Pages 7-8 | 10 minutes**

**A. Shop for your loan** - have a student read out loud the three bullet points.

1. If any of these points cause confusion, then expand on those points.

**B. Where to shop**

1. Same as above
2. Explain to the students the pitfalls of buying at a **Buy Here Pay Here** dealers. Mainly about the higher cost of interest, therefore the higher cost of their monthly payment.

**C. Make your choice**

1. Have volunteers read aloud the two points. Then, go into a bit more detail about options and how they are not mandatory to purchase a vehicle.

**D. Plan Strategy**

1. Summarize the two lines.

**E. Before you sign**

1. This is a very important section for your students.
2. Have a student read each line of this section. After each line give a summary in your own words. Much of this section reiterates what was discussed in other sections, so these are the highlighted points we want to leave with our students.

**Reading**



**S**ummarize

**POST TEST**



**Now the class is almost finished. Have the students turn to the last page of the book and complete the Post Test Survey. Read the questions aloud and read through the answers. When the students are finished have them tear off the sheet and hand it in to you. Then place them and the sign in sheet into the class folder.**