

Stretching Dollars—Your Vehicle

2018 FCE Lesson

Introduction

Maintenance, insurance, gas mileage, repairs, car buying – transportation can take a big chunk out of your budget. Gain tips for making the most of your budget when it comes to vehicle costs.

Objectives

Participants will gain knowledge about recommended practices for saving money on vehicle related costs.

Handouts

- Handout – Stretching Dollars—Your Vehicle
- Evaluation Form

References

- Auto Repair Basics, Federal Trade Commission, www.ftc.gov
- www.fueleconomy.gov

Lesson

Icebreaker

What is your favorite vehicle you've ever owned or driven and why? (Allow a few minutes for anyone who wants to volunteer to share their answer.)

Whether your favorite was a gas guzzler or a fuel-efficient compact car, transportation can be a big expense category for the household budget. Today's lesson looks at ways consumers can make the most of their money when it comes to the dollars spent on expenses related to vehicles.

(Distribute handout.) Use the blanks on the handout to take notes as we discuss how consumers can save money on maintenance and repairs, insurance, gas and car buying.

Maintenance and Repairs

- Follow the recommendations in the owner's manual. Different makes and models of vehicles may have different requirements. Be familiar with the specific requirements for your car. Keep records so you'll know, for example, when the tires have been rotated or when belts have been replaced. Know what oil is recommended for your car and how often it should be changed. Keeping up with regular maintenance will keep your car running efficiently and help it last longer.
- Find a reliable mechanic. Finding a reliable mechanic is much like working with other business persons. Various certifications are available from the industry. Ask around for references. Know that some mechanics charge a "diagnostic" fee if you take your car in to see what's wrong, even if you don't have them do the repair. If a mechanic recommends an expensive repair and you're not sure it's necessary, it's okay to get a second opinion. Ask for a cost estimate before you agree to have work done.
- Watch out for potential problems. If an indicator light comes on, look it up in the owner's manual. If something doesn't feel or smell or sound right, don't put it off too long. This is where having a reliable mechanic is especially helpful. Call your mechanic or take your vehicle in to check on the problem. Know what's covered by your warranty or service contract.

Automobile Insurance

- Know insurance terms and what coverage you need. Like any expensive consumer product, it's the consumer's responsibility to be informed. Learn the basic terminology so you will know what's covered and what's not and so you will be able to compare policies.
- Check for discounts. Multi-policy, good driver, good student are some typical discounts available. Ask your insurance agent if there are discounts for which you might qualify.
- Comparison shop for the best rates and review every few years. Use the rule of three. Every three years, compare rates on car insurance. Check prices from at least three companies. Be sure you are comparing similar policies.

Gas Mileage

- **Driving.** Drive smoothly as fast starts & stops burn gas. Optimum speeds for gas mileage vary, but for most vehicles, gas mileage decreases at speeds above 60mph. Use cruise control on longer trips. Unnecessary idling & letting the car warm up also wastes gas.
- **Maintenance.** Keep the engine tuned, the oil changed and the tires properly inflated. Regular maintenance can impact your gas mileage.
- **Seasonal.** Use the air conditioner only if you need it. Packing extra gear on top when you're on vacation will make your car less aerodynamic and cause your car to burn more gas.
- **Be skeptical.** The Environmental Protection Agency recommends that consumers be skeptical about gas saving devices and products. Although some may have slight benefits, they may not be worth what you pay. Visit www.epa.gov if you want details about a particular product.

Car Buying

- Choose a fuel efficient, reliable, safe vehicle with good resale value. Visit www.fueleconomy.gov for a list of the most fuel-efficient vehicles and to compare fuel efficiency for different makes and models. The Consumer Reports car buying guide provides reliability ratings and information about potential resale value.
- Shop around and negotiate for the best price. A vehicle is one of our most expensive consumer purchases. Shop around and compare prices. Know what would be a fair price for the vehicle you are considering. It's okay to talk to several dealerships and tell them you are shopping around for the best price.
- Save the full purchase price or look for the lowest cost financing. Interest can add hundreds of dollars to the cost of your vehicle. Save up and pay cash. Save on financing costs by making a big down payment. Some dealerships occasionally offer no-interest or low-interest financing during special promotions.

Conclusion

Transportation is a large consumer expense. You can save money by making sure your vehicle is properly maintained, buying the insurance you need, following tips to get good gas mileage, buying a fuel-efficient vehicle and using smart consumer practices when shopping for a new vehicle.

Evaluation

Complete your evaluation.

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Stretching Dollars—Your Vehicle Handout

Maintenance and Repairs

⇒ Follow the recommendations in the owner's manual.

⇒ Find a reliable mechanic.

⇒ Watch out for potential problems.

Automobile Insurance

⇒ Know insurance terms and what coverage you need.

⇒ Check for discounts.

⇒ Comparison shop for the best rates and review every few years.

Gas Mileage

⇒ Driving

⇒Maintenance.

⇒Seasonal.

⇒Be skeptical.

Car Buying

⇒Choose a fuel-efficient, reliable, safe vehicle with good resale value.

⇒Shop around and negotiate for the best price.

⇒Save the full purchase price or look for the lowest cost financing.

More Information

- Federal Trade Commission at www.ftc.gov
- Fuel Economy by the Environmental Protection Agency at www.fueleconomy.gov

Stretching Dollars—Your Vehicle Evaluation

	Very Little	Some	A Lot	Quite A Lot
Increased my knowledge.				
Importance of the topic to me.				

During the course of this meeting, we talked about a variety of strategies you can use for successful saving. Which of the following do you expect to do?

Please check one answer for each.

	Currently Doing This	Expect to Make This Change	Don't Intend to Do This
Money Saving Strategy			
Keep up with regular maintenance on my vehicle.			
Compare rates with at least three different companies on vehicle insurance.			
Follow recommended driving tips for fuel efficiency.			