



وعي مالي شخصي
Personal Financial Literacy

Lesson 12

Buying a Car

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مجلس أبوظبي للتطوير الاقتصادي
ABU DHABI COUNCIL FOR ECONOMIC DEVELOPMENT



Lesson 12

Buying a Car

The process for purchasing a vehicle is similar to that of buying a home so the chart in LESSON 10 should be followed. The first step is to decide your budget. Again, refer to LESSON 2 and determine how much you can afford to spend each month. Don't forget, there is more to the process than just the price of the car and the monthly payments if you borrow the funds. There is also registration, insurance, petrol, and maintenance if something breaks.

After you have an idea of your budget you can decide whether you would like a new car or a used one, what models you prefer, and the rest. There is a great deal of information on the internet that can help you decide, so the best approach is to do some research online and arrive at a few alternatives that suit your needs and tastes. Be sure to check maintenance history for the vehicles you might choose. Some cars have a very bad reputation for breaking down. You should do this internet research before you venture out to a showroom or look at cars for sale by private parties.

If you are financing the purchase you should check with a few banks to see what terms they might offer for loans, and how much you would qualify to borrow.

A reliable website for this process is Edmunds.com. They have tools that will allow you to pick the right vehicle for you, what types of features you might want, estimate the cost of ownership, determine the potential maintenance costs, and more. This is a United States based website so prices will be different in Abu Dhabi.

Calculating the payment for an automobile loan can be done using the Monthly Payment Calculator shown here. Remember, car loans are usually not for more than 5 years, interest rates are higher, and a down payment will be necessary.

