

## Take Five Steps to Save BEFORE You Shop for a New Vehicle

By FoolProof's Information Edge

Yes, you read that headline correctly. If you are thinking of buying a new or used vehicle and you want to save money, we recommend first taking five steps before you even think of heading to a dealership showroom or website to shop. When many of us feel that first itch for a new vehicle, we think first about dropping by a dealership to browse—look at a few models, lift a few hoods, check out a few prices. Not a great idea—dealerships love to see innocent browsers pull on to the lot. Or maybe, you just like to cruise the local dealership websites. That's a better idea, but still not one designed to save you money or to really help you find the right car for you and your family. Instead, when that itch strikes, stop and take these five steps. Your wallet will thank you.

### 1. Do a little homework using our "[Information Edge Car Buying Guide](#)"

You need to be aware of some important facts before you start shopping:

- For instance, how much money do you actually have to spend on a new vehicle? The Guide shows you how to determine how much money the car payment you have in mind will yield. How much is your trade-in worth? Is there a rebate on the vehicle? What about additional cash for a down payment? Answers to all these questions help you calculate your real budget for car buying. The Guide shows you how.
- Are you ready for the pressure tactics used in the auto arena to sell vehicles whether you are shopping in person or online? The Guide alerts you and explains the most common and dangerous to your pocketbook.
- Do you know how to negotiate for a vehicle in a way that controls the bargaining in your favor? The Guide shows those techniques.

### 2. Research potential vehicles online.

There's a difference between researching and shopping. If you're thinking about buying a new vehicle, then you probably have some particular models in mind. If you've done step one, you have an idea of your car-buying budget. Now it's time to do some "window shopping" online. Remember, however, you're just looking at this point. I would recommend using only major sites that don't require registration or personal information. If you are looking at local dealership sites, again, just look.

Several vehicles may have options and features that you like. Ask these questions of each.

- *Does the vehicle fit your budget? What did the vehicle cost the dealer?* Websites such as Kelly Blue Book ([kbb.com](http://kbb.com)), [Edmunds.com](http://Edmunds.com) or [NADA Guides](http://NADA Guides) provide MSRP figures for new vehicles and average retail and wholesale prices for used vehicles. These guides also provide dealer cost for new vehicles and wholesale prices and "loan value" for used vehicles.
- *What's the vehicle's safety test record?* Check out the crash tests on new vehicles from both the [National Traffic Highway Safety Administration](http://www.nhtsa.gov) (NHTSA) [[www.nhtsa.gov](http://www.nhtsa.gov)], which performs frontal and side crash tests, and the [Insurance Institute for Highway Safety](http://Insurance Institute for Highway Safety), which performs offset frontal tests. For a subscription fee, you can access [Consumer Reports](http://Consumer Reports) for safety and reliability

information for used vehicles. The Center for Auto Safety also provides information on a variety of automotive safety issues.

- *What are the insurance and driving costs for the vehicle?* Some vehicles have insurance and/or driving costs that are much higher than others. Comprehensive sites such as Edmunds.com provide some of these estimates or contact your insurance agent.

### **3. Decide whether you'll buy "new" or "used."**

If you've calculated your car-buying budget and researched online several vehicles, you should now have a good idea of which vehicles best fit your budget. Will buying new or used be your best choice? For many individuals, buying a good used vehicle can be a great choice—if you carefully check out the specific vehicle and buy it the right way. Chapter 6 of our Car Buying Guide shows you how to buy a used vehicle wisely.

### **4. Apply for your financing at the Credit Union before you shop.**

Arranging your auto loan at your credit union before you start shopping at dealership showrooms, lots, or online, makes you a cash buyer. Credit unions typically offer lower rates on both new and used vehicles than other financial institutions. Some credit unions offer the same rates on new and late model used vehicles. Credit unions also have steps in place to make it simple to pay for the vehicle when you've arranged your financing before you shop. When you have your financing in place before shopping, you can focus on all the other aspects of the shopping and negotiation process.

### **5. Consider selling your old vehicle yourself.**

By selling your old vehicle yourself, rather than trading it in at a dealership, you may get more money for it. Why? Dealerships buy (trade-in) your old vehicle at a "wholesale" price (often well below average wholesale). If you sell your vehicle yourself, you can often sell it for a higher price. What your car, truck or SUV is worth is always more than any dealer is willing to give you. How hard would you work to make \$1000, \$1500, or more? Selling a good, reliable vehicle yourself is also not very hard when you know the steps. We show you how in "How to sell your trade in yourself."

If you will take time to act on these five steps before you begin shopping and negotiating for a new or used vehicle, you'll be well on the way to saving big bucks before you ever set foot in an auto dealership or click on their website. So why not head to the Information Edge website right now and begin with Step 1—checking out the Car Buying Guide?

Head to <http://www.informationedge.info/cu> and click on the "Car Buying Guide" tab.