

FINANCIAL FITNESS:
LEVEL UP

BUYING YOUR FIRST CAR

Congratulations! You've finally saved up enough money to buy your **first car**. But before you choose your first set of wheels, you need to make sure you're **staying within your budget**.

Follow the steps below to make sure you're fully prepared before you hit the road.

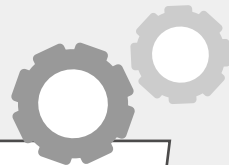
STEP ONE

Know your budget. You'll need to know what you can afford, whether you're buying your car outright or financing it. **Financing** is when you're given a loan by a seller to buy something, and you pay it back monthly. In this case, the seller is your dealership.



STEP TWO

Check out the **running costs** for the car you're thinking of buying, and make sure you can afford them. This includes insurance, servicing, tax, MOT and more. Be sure to check out our **Buying Your First Car** budget planner to help you understand all the costs of owning a car.



STEP FOUR

Have a look to see if there are **different options** of the car you like, both new and second-hand. Looking at other features such as a different number of doors or engine size, could also make it **cheaper**. It's also worth comparing dealerships or see what else they have to offer.



STEP THREE

Try to work out how many **miles** you'll drive each month to help you calculate how much it'll cost you in fuel. Don't forget holidays and the miles you do outside of your commute. To work out your cost per mile, you'll need to take the gallons of fuel it takes to fill up your car, multiply that by the fuel price per litre, and then divide it by how many miles the car does before you run out of fuel.



STEP FIVE

Read **reviews** of the car. It might look great on the outside, but real customers can tell you their experiences and if it has issues you need to know about.



STEP SIX

Once you've decided on a car, you'll want to see it in person. **Contact the dealer** to arrange a visit. Remember to take your licence with you too. If you're **buying second-hand**, check the **gov.uk** website for problems and to make sure it's taxed. You'll need the registration number, make and model. There are lots of online guides about what to look for when buying cars, so be sure to check them out.



STEP EIGHT

If you choose to finance the car rather than buying it outright, check out the APR the dealership is offering you and compare it with a personal loan to see if you can get yourself a better deal.



STEP SEVEN

Test drive the car to make sure that you feel comfortable driving it and it all works as it should.



STEP NINE

Found the right car for you? Once you are ready to buy, you'll need to make sure you have **insurance** in place. To get the best rates, check out some **price comparison websites**.



STEP TEN

TIME TO HIT THE ROAD!

