

Assess Your Finances During Peak Car and Truck Buying Season

April through August are typically the most popular months to buy a new automobile. Americans will buy an average of 7.6 million new cars and trucks during these spring and summer months, according to data compiled by the National Automobile Dealers Association (NADA). With so many consumers in the market for a new car or truck it's the ideal time to do a yearly review of your finances to make sure you're in shape to tackle the vehicle buying process.

When you consider maintenance, insurance, and gasoline, vehicle-related expenses are one of the largest chunks of your budget. And many of those expenses change as your vehicle gets older. That's why it's important to take the time at least once a year to assess how much your vehicle really costs you, and determine if a new car would cost you more, or actually save you money. If you do decide that it's time to buy a new car, it's vitally important to determine how much car you can afford.

1. Develop a monthly budget. If you haven't done this already, now is the time to track the income you're bringing in, and the expenses you have going out.
2. Examine your existing automobile expenses. From your budget, break out the following expenses:
 - a) Monthly payment
 - b) Insurance
 - c) Monthly gasoline expenses
 - d) Average maintenance expenses
 - e) Property taxes (if applicable)
3. Determine your down payment. If your goal is to lower your monthly payment, a good way to do this is to put more money down in the beginning.
4. Shop around for competitive financing. In this competitive market, you will be given a good opportunity to find an option that works well for you. Credit unions offer some of the best rates and terms in town. That's because they are non-profit, which means they return all profits to you – the credit union member – in terms of lower rates on loans and higher rates on savings.
5. Estimate a monthly payment for your new car or truck. A good calculator can be found at www.getacreditunionloan.com.
6. Compare all expenses between your existing vehicle, and the one you're considering.

These tips were brought to you by AWARE, a non-profit organization seeking to build a greater understanding about how auto financing works. www.autofinancing101.com