

How to Save Money on Your Car

Let's face it, once we have a car we love the convenience of being able to get up and go whenever we please so I'm not going to tell you to sell your car and use public transit. The tips I am going to give you are simple and practical.

Unless you are a salesman or need a new car for business purposes on a regular basis and can write it off on your income taxes or in your business consider purchasing a new car and driving it until the maintenance costs warrant purchasing a new one. If you take care of your car, do regular maintenance like the owner manual suggests, your car can last you 10 years or more. This depends on the amount of driving you do and the climate you live in.

Tips for purchasing your car include:

1. Buy a smaller car – the cost to purchase is lower, as is the insurance and the fuel consumption thus producing a savings for you.
2. Buy an off-lease used car – these are cars that have been leased but not purchased by the driver at the end of the lease. These cars are usually three or four years old. Get to know a dealer in your area and have him/her keep an eye out for you on the model you would like to drive. Usually these cars have had regular maintenance and should therefore have fewer mechanical issues. Have the car inspected by an independent mechanic you trust prior to the purchase. Many of us have friends or family who drive a company car. Consider making a deal with them at the end of their car lease. The advantage is, you know who has driven it and how it has been maintained.
3. Consider purchasing your car with cash – I know this sounds impossible but you can do it. If you saved \$200 per month for 8 years you would have \$19,200 before any interest was earned on that money. If you have challenges saving, paying for your car using a loan is generally cheaper than a lease. Individuals opt for a lease because the monthly payments are lower. The fact is, you need to put a down payment on the car at the beginning and you need to purchase the buyout value at the end of the lease. Over the same lease period you could increase your monthly loan payments slightly if you take out a loan and at the end of the loan you own your car. At the end of the four years with your loan paid off you no longer have monthly car payments. With a lease, if you do not have the lump sum at the end of the lease to purchase the car, you will either take out a loan or lease a new vehicle. The payment cycle inevitably seems to go on and on. Crunch the numbers before you make any decisions.

Tips for driving your car:

1. Keep your tires inflated to the manufacturer's suggested PSI. Properly inflated tires reduce the amount of gas you use.
2. Keep your tires aligned and balanced to avoid dragging and reduce friction. This in turn reduces your fuel consumption.
3. Plan your errands so you aren't back tracking and making several cold starts with the engine.

4. Use your cruise control. This will keep you at a steady speed on the highway, can cut your fuel costs, reduce the wear of fast driving on your car and help you avoid a speeding ticket. Cutting your speed by 10% can save you up to 10% in fuel costs and only adds 6 minutes to your hour long trip.
5. Remove the roof rack if you don't need it all year long. Empty roof racks increase the fuel consumption of a car by 5% when driving on the highway. Your gas consumption goes up 20% with a full roof rack. The key then is to take the rack down if it is not being used on a regular weekly basis.
6. Empty your trunk of unnecessary items such as trash, sports equipment, lawn chairs in the winter and sand and chains in the summer. You can save up to 2% on your fuel costs for every 100 pounds of extra materials you remove from your car. It also feels awesome when your car is clean and free of clutter. With a clean car, you will be proud to volunteer to drive others when need be. The one thing you need to keep though is your spare tire and jack. You never know when you will need these items. As the girl and boy scouts say "Be Prepared".

Tips on your car insurance:

1. Shop around and make sure you are comparing the same features.
2. With a good driving record, negotiate a better rating.
3. Make sure your insurance matches your needs. If your car is not worth much consider eliminating the collision component of the insurance.
4. Increase your deductible.

Alone each step may not seem like a big savings but like most things in life, the more you combine the more you save.