



## Putting your child in the driver's seat

### There are plenty of factors to consider when looking for the perfect car to fit your teen

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By Don Hammonds, Pittsburgh Post-Gazette

Buying a car for a high school or college student doesn't have to be as frightening as the first time you loaned them the keys to your car.

Still, experts recommend that you consider more than whether you can afford to buy a car and also weigh how and under what conditions it will be used, and how responsible your child is.

"We did a recent survey by our parent company, and what we found was that kids really do want advice from parents on the issue of buying a car or truck," said Jack Nerad, editorial director at Kelley Blue Book.

One of the first things students want to know is how much money is available to buy the car. Will the parents freight the whole cost? How much is the student expected to contribute to the venture?

"There was a time when parents buying kids' first-time cars figured they would buy them inexpensively for less than \$5,000 and they would pay cash," Mr. Nerad said.

"Now, what first-time buyers face is that they expect to spend a lot more on cars -- as much as \$10,000 or more -- and the majority finance that car instead of paying cash," he added.

Co-signing for an auto loan is usually necessary, unless a child already has a decent credit history. But co-signing means that the parent is responsible for making the payments, and missteps could seriously damage a credit record. If a child is not responsible with money, perhaps he is not responsible enough own a car.

Before you sign on the bottom line, calculate all of the costs of buying and keeping a car.



Daniel Marsula, Post-Gazette

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A four-year loan at 6 percent on a \$10,000 car costs \$187.88 a month -- and that's just for starters. There are added costs for perhaps four oil changes a year (\$120), replacement parts (\$200 a year), repairs (\$100), gas (\$1,128), insurance (\$1,500), initial sales tax at 6 percent (\$150) and annual registration (\$60).

Divided over a year's time, that \$187.88 monthly car note becomes about \$460 a month.

"You really have to keep in mind not overextending your child's finances if they are paying for it. You have to keep their expectations within reasonable limits," Mr. Nerad said.

To save money, some parents think about leasing instead of buying, but the word from Mr. Nerad is: Don't.

"Parents are tempted by the lower monthly payments, but leasing provides far fewer options for getting out if it, if you have to do that. I'd recommend purchasing that first car instead of leasing," Mr. Nerad added.

Once you've established how much you're going to spend, you can start looking at new and used cars and trucks that fit your budget.

If you decide on a used car, remember that there are plenty of guides and books about buying a used car. Consumer Reports, for instance, rates cars on a host of factors, and Kelley Blue Book and its Web site are excellent places to start, too.

Be sure to have a used car inspected by a trusted mechanic and check the car's history. Several Web sites can tell you if the car has been in an accident or flood, for instance.

What to buy in a used car?

"Certainly you want to think about reliability first and foremost. In terms of bargain shopping, Kias, and even more so, Hyundais, might be very good buys because the most recent ones are very reliable but resale value is not commensurately high," Mr. Nerad said.

Hondas, Toyotas, Nissans and some domestic makes such as Chevrolet and Ford also are good candidates because they are inexpensive to maintain.

If you're willing to buy a new economy car, you might find that you can get a better used car or truck for the same money.

If you're looking for new cars, don't miss models such as the Nissan Versa, Toyota Yaris, Honda Fit and Chevrolet Aveo. These are as nicely equipped as cars costing thousands more.

No matter what vehicle you consider, look for anti-lock brakes, side and side head/curtain air bags, and traction and stability control, all of which have proven their ability to save drivers from serious injury or death.

Also consider the cost of insurance, Mr. Nerad said. "You might end up with a nasty surprise afterward if you buy first without thinking about insurance."

As you might expect, the cost of insuring a young driver is much higher. The Insurance Institute for Highway Safety says that for each mile driven, the risk of being involved in an accident is four times higher for teens than for older drivers. Drivers who are 16 are the riskiest; they have a crash rate that's almost three times higher than 18 year olds. And yes, boys cost more to insure.

A few things to check when insurance shopping: If your child has good grades, there may well be a student discount rate. And if you have a good driver discount for yourself, your teenager may get a lower rate. Many insurance companies give big discounts when young drivers have taken a driver training and safety class.

"A car can expand a high school or college student's educational horizons, allowing him or her to take advantage of opportunities like off-site classes and internships," Aaron Gold, the automotive writer for [About.com](http://About.com), wrote on the Web site. "Car ownership is also a great lesson in responsibility: Kids who pay their car's running costs have good incentive to drive carefully. If they break it or crash it, they walk."

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