

CHAPTER 4

First Wheels: Budgeting for Your First Big Purchase and Exploring the Costs of Car Ownership

A few weeks later, as Mom and I were driving home from the grocery store, we saw Cash walking on the sidewalk. I yelled out the passenger window, “Hey, dork, you need a ride home?”

Startled, Cash looked up from his phone as we pulled up next to him. A flicker of embarrassment crossed his face.

“I figured that must be you,” Cash mumbled, shoving his phone in his pocket and trying to act nonchalant. “Hey, Mrs. Albright, how are you?” he said politely, though his voice was a bit strained. For all of his ‘challenges,’ Cash was a good kid deep down, and I knew he hated feeling like a charity case.

“We’re heading home. Do you need a ride?” Mom offered.

“That would be great, actually,” Cash admitted, a touch of relief in his voice. “My mom couldn’t pick me up...again. I tried to call an Uber, but for some reason, the app keeps rejecting my ride request. Probably my mom’s credit card getting rejected again.” He kicked at a loose stone on the sidewalk. “My legs could definitely use a rest.”

“Hop on in,” Mom said. Cash did, and we drove off. “How are your parents doing? We haven’t seen them since our camping trip this past summer.”

“To be honest, I don’t see them that much,” said Cash. They always seem to be working, always chasing the next big deal or investment. Being in sales, they make a lot of money when things are going well, but then it seems like the money just disappears. They’re always talking about wanting a new car like the neighbors have, bigger this, better that... It’s exhausting, especially since we never seem to have enough to make ends meet.” He paused, a frown creasing his forehead. “They said we might need to move to Arizona or somewhere else where the cost of living is lower. That would really suck. I love it here; this is where all my friends are.”

My heart sank a little at the thought of Cash moving away. We’d been friends forever; it wouldn’t be the same without him around.

“I’m sorry to hear that, Cash,” Mom said sympathetically. “It sounds like your parents are going through a tough time.”

“Yeah, well,” Cash said with a shrug, “they always say it’s important to ‘live in the moment,’ to enjoy life while you can. That’s what they do, anyway. They’re always buying the latest gadgets, taking fancy vacations...but then they complain about not having any money or retirement savings. Everything they earn, they spend right away.”

“Hmm,” I said thoughtfully. “They want all the fancy stuff but don’t seem to realize or care that it comes at a cost. What do they think is going to happen?” I glanced back at Cash as I spoke, a mix of concern and frustration swirling inside me. I hoped Cash wouldn’t fall into the same trap as his parents.

Cash nodded glumly. “I guess they think they’ll make more money in the future, so they don’t really care. I’m not sure.” He paused, his eyebrows furrowed in thought. “Some of the stuff you said before makes sense. I want all the nice things now, like them, but you guys don’t seem to stress about money all the time like we do. Why is that?”

“Well,” Mom chimed in, “while we’d love fancy cars and trips, we save our money through conscious day-to-day choices: we eat

at home more than we dine out or order in, we buy less expensive cars, and we take more modest trips. The upside for us is that we have money left over to buy the things we really want, and more importantly, to build a cushion if anything unexpected comes up. For us, the small ‘sacrifices’ are well worth the peace of mind.”

“I wish my parents were more like that,” Cash sighed. “Maybe then we wouldn’t be constantly stressing about money and moving.”

My chest tightened, and a wave of unease settled over me. The thought of living with that kind of uncertainty—never knowing if you’d have enough money or where you’d be living next—made my heart ache for Cash. I could tell that he was really dejected, and I understood how his parents were teaching him bad habits. So I decided to change the subject. “How’s soccer going? Are you still the club team’s top scorer?”

“Oh, soccer,” Cash replied, sounding even more dejected. “Yeah, I was going to tell you about that, Phe. I’m not on the team anymore. It’s just too expensive this year. A deal my dad was counting on didn’t go through, so my parents said I need to do high school soccer instead. The problem is the colleges recruit more from clubs than from high school teams. I need to figure this out.”

He sighed, clearly frustrated.

“It’s like they don’t get it,” he continued. “Soccer is my ticket to a good college, a good life. If I can get a scholarship, I can make the big bucks later, you know? Then I can buy all the fancy cars and houses I want. You know Lionel Messi, the star soccer player? He made over \$90 million in salary and endorsements last year! Now that’s what I’m talking about!”

“Ninety million dollars?” I sputtered. That was an insane amount of money! But Cash was dreaming if he thought he’d be the next Messi.

Mom glanced at him in the rearview mirror, a concerned expression on her face.

“That’s certainly one way to look at it, Cash,” she said gently. “But that’s a long shot. There aren’t many players like Messi out there. And even most talented athletes have other skills and interests, since going pro is pretty rare, and even then, most sports careers only last a few years. Do you have any other passions that can have a positive impact on the world and provide you with a reliable career?”

Cash rolled his eyes. “Yeah, yeah, I’ve heard that all before. But let’s get real, Mrs. Albright. Money talks; it’s the key to everything—freedom, happiness, the whole shebang. Like I said, I want to have lots of nice things!”

I couldn’t help but think that Cash was missing the point. *Money is important, but it’s not the only thing that matters. And chasing material possessions won’t necessarily bring him the happiness or fulfillment he thinks it will.*

Mom was probably about to tell him that we didn’t always get everything we want and that life is often about prioritization, but at that moment, we pulled up to his house.

“Say hi to your parents for me,” Mom said as Cash slung his backpack over his shoulder and stepped out of the car.

“Thanks for the ride!” he shouted as he unlocked the gate leading to his complex. “My legs thank you too!”

“Well, that was kind of depressing,” I said once he was out of earshot. Poor Cash; it was like his parents were setting him up for failure. Once again, I was grateful for my parents’ approach, even if I didn’t always love the lectures. “Isn’t there something we can do to help?”

“That’s super thoughtful of you, Phe. You’ve always been a very kind, empathetic person. But we can’t solve everyone else’s problems. There are going to be a lot of money demands in the coming years, what with your sports, college costs, and the like. Plus, as the saying goes, it’s better to teach someone to fish than to

give them a fish. Perhaps you can help Cash develop better money habits so he can turn things around.”

I nodded and thought about how I could talk to Cash about budgeting and saving. Maybe I could even share some of the things Mom was teaching me.

“Your dad and I noticed during our last few interactions with his parents that they aren’t making choices that support Cash’s activities or other things they say they want. Like his mom’s new car: I believe she got the latest Porsche Cayenne or one of those other fancy models.”

“Wow,” I interjected, picturing the sleek, expensive car. “That must have cost a fortune!”

“Yes, they could have gotten a cheaper car or bought a used one, and then they would have had money to pay for Cash’s soccer.” Mom sighed. “It’s not just about how much you make; it’s also about your choices. If you make more money than you spend, you have more options. But if you spend more than you make, no matter how much that is, you’ll limit what’s possible for yourself. You’d be surprised how many people around here look rich, with their nice cars and fancy homes, but are cash poor and struggling to cover their bills. They bought way too many things and didn’t prioritize saving enough money for the things they say they want.”

It was eye-opening to see the difference between Cash’s parents and mine when it came to financial habits. I could see now where our respective opinions on money came from. I could definitely see the appeal of having nice things, but I’d take not stressing over money over a fancy car any day. Mom’s car was nice enough, and I got to do all the after-school stuff I wanted, even if I had to contribute!

Once we got home, Mom turned to me and said, “Speaking of, now that you’ve gotten a few paychecks, it’s time to talk more about that savings account and plan for your car!”

I looked at Mom, feeling a sense of dread bubbling up. “Ugh, Mom! Really?” I said with exaggerated indignation. “I’m supposed to go to Ollie’s house now, and I need to prepare for a history test tomorrow. Can we do it later? I’m already putting \$48 of every paycheck into my savings account, just like the 50/30/20 rule says. What else do you want from me?”

Mom chuckled, unfazed by my protests. “Phe, I get it, but this stuff is really important for your future. Plus, you’ve repeatedly said you want a car at 16. That’s a huge purchase, so we need to plan for it way ahead of time. You’ve started saving, which is fantastic, but let’s dive deeper. We need to talk about setting a goal for your car and how your savings plan fits into it.”

Begrudgingly, I slumped into a chair. “Fine, but can we make it quick?”

“Absolutely,” she assured me. “You’ve set up automatic transfers to your savings account from each paycheck, which is a great start. Now let’s talk about your goal. How much are you aiming to save for your car?”

“I’m not sure. How much do I need?” I asked. Cars all seemed to cost so much, and there were so many different options.

“That’s a great question. It depends on what kind of car you’re looking for.” Mom’s eyes sparkled with excitement. “You have two options: leasing or buying.”

“What’s the difference?”

“A lease is like renting a car: you keep it for a few years, then you give it back to the dealership,” Mom explained. “Usually, you make a down payment up front, then you pay a lease payment each month. Leases often last three years, or 36 months.”

“So, you don’t actually own the car?”

“Exactly,” Mom confirmed. “When you buy a car, you still make a down payment and monthly payments, but the total cost is higher because you’ll own the car in the end.”

I pondered her explanation. “So, leasing is cheaper up front, but I have to give the car back at the end of the lease? Buying means I eventually own the car?”

“That’s the general idea,” Mom said. “But there are other factors to consider, like mileage limits on leases and the option to buy a car at the end of a lease term. We can explore those details later.”

“Okay,” I said, feeling a bit more informed. “So how do I decide which option is right for me?”

“That depends on your priorities and financial situation,” said Mom. “Leasing might be a good option if you like the idea of having a new car every few years and don’t want to worry as much about maintenance or repairs. Buying might be better if you want to build equity in a car and have the freedom to customize it.”

“That makes sense,” I said, nodding. “So when do we start?”

“We should figure out the type of car you want now,” Mom answered. “I know you mentioned a Tesla or convertible, but that’s not likely in our budget. It’s important to do research and plan ahead. With each deposit into your savings account, you’re building a fund for your car. You’re planning for that freedom of having your own wheels and hitting the road whenever you want.”

Her enthusiasm was infectious, and despite my initial resistance, I found myself getting a bit excited. “What should I be doing now?”

“Start researching. Check out different car models and their prices, and think about needs versus wants. That way, you’ll have a clear idea of what you’re aiming for, and we can plan accordingly.” She pulled up her computer and did a quick Google search. “A Tesla Model 3 is \$329 monthly with \$4,500 down payment. That means you’d need to save \$375 a month to have enough money for the down payment in a year. You can also make a lower down payment in exchange for higher monthly payments, and vice versa.”

Chart 3: Leasing a Tesla

Lease Car Payment		
Tesla down payment	\$4,500	
Tesla monthly payment	\$329	
	Monthly Savings	12-Month Total
Current monthly savings	\$96	\$1,152
Doubled monthly savings	\$192	\$2,304
Monthly savings needed	\$375	\$4,500

I gasped. “That’s a lot of money!”

“Indeed, a car like the Kia Rio would be considerably less expensive,” she continued. “But remember your savings: if you keep saving \$48 from each paycheck, or \$96 every month, then in twelve months, you’ll have saved \$1,152. If you work a few more hours a week and save more money toward your car, I bet you could double that to \$192 a month and save \$2,304 in a year. Obviously, you’d need to balance the extra hours with school and sports, but I bet you could make that work.”

My eyes widened in realization. “Wow, so that means I’d still need to save more or for longer, right? Plus, aren’t there a bunch of other costs that come with owning a car, like gas?”

“Exactly,” she said. “That’s why you need to plan and understand the costs. You’ll need to factor in the down payment, monthly payments, your car registration, insurance, gas (or electricity, if you get an electric vehicle), and repairs.”

“So many things to consider,” I said. My mind started to reel like it did at the bank.

“And don’t forget about depreciation,” Mom added. “As soon as you drive a new car off the lot, it loses value. Sometimes, it can lose a significant amount of its value in the first year alone. New cars typically lose 20% of their value in the first year, then 15% per year for the next four or five years.”

“That’s crazy!” I exclaimed. “So even if I buy a brand new car, it won’t be worth as much as I paid for it shortly after?”

“That’s right,” said Mom. “Sometimes, buying a slightly used car can be a better value, as it’s already lost its initial value. Plus, you can often get a ‘nicer’ car for the same price if you buy used. But,” she cautioned, “you might also face higher repair costs with an older car, so it’s a trade-off.”

This was a lot to consider. I was both excited and overwhelmed by the sums of money we were talking about.

“But Mom, even if I double my savings, I won’t be able to afford the car in a year. Can I borrow yours or Dad’s until I can afford it?”

“Sorry, Phe, your dad and I both need our cars,” she said. “Perhaps we can come up with an arrangement. How about we pay for part of the down payment and monthly fees if you keep your grades up, do your chores, and achieve your own savings goals? It’s not just about the car; we want you to learn these lessons now and apply them to all big purchases in the future.”

I nodded. “I get it: my savings are like building blocks for bigger things.”

“That’s a great way to put it.” Mom beamed. “It’s like giving a gift to your future self. The more you save now, the more options and freedom you’ll have later.”

“That makes sense,” I said, feeling a sense of responsibility starting to take root.

“One note of warning, though,” Mom continued, and now her tone turned serious. “You don’t want to rely too heavily on the idea of future income. You want to build in a cushion for any

commitments you make that involve future payments and costs, like the monthly payments and maintenance on a car. You could lose your job or be hit with unexpected expenses at any time. Remember what you told me about Ethan's transmission? He got that huge bill and had to work extra shifts for weeks to pay it off."

"Yeah," I agreed, thinking back to Ethan's car trouble and how it also affected Ollie. "I wouldn't want to be in that situation."

Mom nodded. "Right. The key is to build an emergency fund, even though you are young: set aside extra money on a regular basis to make sure you can cover whatever you may need in the future. It gives you a lot of security."



As I headed to Ollie's house later, thoughts of the car danced in my mind. Even if it wouldn't fully cover the cost of the car, saving that \$48 per paycheck suddenly felt like a step toward independence, toward owning something big and truly mine. And maybe, just maybe, with my savings and my parents' help, I'd be cruising around in that dream car sooner than I thought.

I'm here, I texted Ollie after I rang her doorbell with no answer.

Sorry, door's open, come on up, she texted back.

I knocked on her bedroom door and heard her voice cry, "Come in!"

"You're in a good mood," I said as Ollie gave me a big hug. "You're not still mad about what I said to Cash?"

"I admit I thought it was kind of petty, but I get it now," she said. "I've been thinking about what you said, and I can see where you're coming from. Cash is always borrowing money, and I appreciate that you're more thoughtful with your money. That's why you could afford to buy him an ice cream."

“Exactly,” I said. “My mom also taught me about this great rule called the 50/30/20 rule: 50% of your paycheck is for needs, 30% is for wants, and 20% is for savings. You might not have as much to spend right away, but you still get to balance today with the future. I’m saving 20% of my paycheck toward my car, and I still have money to spend on clothes and other things I want.”

“Oh, that makes sense,” Ollie replied thoughtfully. “That still seems like a lot out of our paychecks, but I guess we don’t have a ton of responsibilities or ‘needs’ at the moment, being teens.”

“True,” I agreed. “But it’s never too early to start good habits, right?”

“Right,” Ollie said with a smile. “Maybe I’ll try it and see how it goes. And you’re right, time does go by quickly. We’ll all be heading off to college soon. It’s crazy how fast high school is flying by. And I hear time seems to go even faster as you get older.”

“Yeah, I’ve heard that,” I said, picturing time zooming by like a race car.

“I’m sure developing good habits now will be helpful,” Ollie continued. “I’ll visualize handing money to my 20-, 25-, or 30-year-old self, and she’ll thank me for thinking of her. And in the meantime, I still get to enjoy doing stuff today. Like you said, it doesn’t have to be either-or; it’s about balance and good choices.”

“That’s the lesson my mom is teaching me,” I said. “I hope my future self appreciates me making good choices now!”

Ollie nodded, then said, “By the way, you said I’m in a good mood, and you’re spot on! We’ve been making good money at our job, so I’ve been shopping for new clothes. Look at this cute outfit I’ve laid out for tomorrow; it was on sale. Yay me!”

“Cute!” I exclaimed, grateful that the financial lessons were sinking in.

“Oh, and my dad also said he’d teach me about investing in stocks, which I’m really excited about.”

"That's great to hear, O! Investing sounds cool. You'll have to tell me what he says."

"Any other lessons from your mom recently?" she asked.

"Funny you should ask," I replied. "I actually just finished up another Money 101 lecture with my mom about budgeting for a car. She made really good points, but I still want to go buy the latest fashion trend at the mall."

"I feel you, Phe," said Ollie. "I'm not sure I'm as disciplined as you...or have as much parental guidance. But I'm making progress, and the things you've been talking about are starting to click. Did your parents agree to help you with the Tesla?"

"Ha, hardly. I'm probably going to get something a bit cheaper for now. The Tesla will have to wait. But at least they're helping me with the down payment." I shrugged, then smiled. "It's a pain sometimes, but I'm grateful they're teaching me about money. We don't learn any of this stuff in school."

"Word," said Ollie. "Some of us could use that education more than others. Do you know how many times Cash has hit me up for \$5 here or \$10 there?"

"Tell me about it!" I exclaimed. "It's hard to say no to Cash; he's like a brother. But I'm not made of money, and I have my own things I want to get...and save for. I think we need to show him tough love and not give him any more money. He's never going to learn how to be responsible for money if we always bail him out."

"Can we even do that?" Ollie asked warily.

"It'll be tough," I admitted, "but it's for his own good. Let's make a promise that the next time he asks for a fish, we'll teach him to fish instead. Deal?"

"Deal," Ollie said. She snorted. "Ha, just the thought of Cash and fish makes me laugh!"

We both got a chuckle out of that, then we took out our history books and got to work studying for the next important test—one more thing our future selves would thank us for.



Later that week, I sat at the kitchen table, surrounded by papers and my laptop and feeling a bit overwhelmed by all the car research.

“Mom, this car stuff is so much to take in,” I confessed, my fingers tapping on the keyboard in frustration.

Mom glanced over and offered a reassuring smile. “It can be overwhelming, but you’re doing great, Phe. We’ll also go to the dealership with you when the time comes. We can test-drive all the different cars, and we’ll help you negotiate with the salespeople. But remember, it’s not just about picking a car; it’s about making good money management a habit.”

“Yeah, I get it, Mom,” I said, and I went back to poring over my research.

“How about we take a break for another important lesson?” Mom suggested. “Now seems like a good time to teach you how to make your money work for you.”

I looked up from the computer and tilted my head in confusion. “What do you mean? Like, can it have its own job?”

Mom laughed. “Not exactly, honey. I’m talking about one of the greatest wonders in the world: compound interest!”

I closed my laptop, intrigued. “What’s compound interest? I thought my money just stayed in my savings account.”

“It does,” Mom explained, leaning in. “But money also has the magical ability to grow while you sleep.”

My eyes widened. “Seriously? That does sound magical. How does that happen?”

“Compound interest is when the interest you earn starts earning its own interest,” she explained. “It’s like a superpower for your savings.”

“Wait, my money’s making its own money?” I asked, trying to wrap my head around the concept.

“Exactly! And because of this compounding effect, the longer your money stays invested, the more it grows.”

I couldn’t help but grin. “That sounds amazing! But is investing safe? What if I lose my money?”

“It’s normal to worry about that,” Mom acknowledged. “But investing isn’t about taking blind risks. You need to understand your options, manage risks, and spread out your investments. And remember, for long-term goals, like saving for a car or a house, investing wisely can help your money grow.”

“So it’s better than stuffing my money under my mattress?” I joked.

Mom laughed. “Way better. We’ll talk about it in depth in the future. For your car savings, you’ll want the money soon, so a regular savings account at a bank is probably the best option. It’ll still earn compound interest, just at a very low rate. For other goals with a longer time horizon, we can explore a brokerage account or other investment options. That’s where your money can potentially work harder for you.”

I nodded, starting to see the possibilities.

Mom continued, “For short-term goals, you might consider stable interest-earning options like a savings account or a certificate of deposit. You’ll earn interest but not risk fluctuations in prices like with stocks. We’ll talk more about that later on. For now, I hope you understand the general concept.”

“Thanks, Mom. I look forward to the rest of the lesson.” And with that, I turned back to my car research with new energy.



As I sat across from Mom and Dad at the kitchen table shortly after my 16th birthday, I was so excited. It was the moment I had been eagerly waiting for—a year of hard work and diligent saving had finally led to this milestone: buying my own car!

“Mom and Dad, I can’t believe it’s finally happening!” I exclaimed, a mix of excitement and nerves bubbling within me. This was *huge*! No more begging for rides, no more cramming into the back seat with my smelly gym bag. Freedom at last!

Mom smiled warmly, sharing in my excitement. “You’ve done a fantastic job saving, Phe. Now, before you seal the deal on a car, let’s revisit a few important factors and the costs of car ownership.”

I nodded eagerly, ready to absorb every bit of advice she had to offer. *Bring on the car-buying wisdom, Mom*, I thought. *I’m ready to roll!*

Dad, who had been quietly reading the newspaper at the kitchen table, lowered it with a grin. “So, my princess is finally ready for her chariot, eh?” he teased.

“Eww, Dad!” I groaned, playfully swatting his arm. “Don’t call me ‘princess.’”

“Just having some fun, Phe,” he chuckled. “But seriously, buying your first car is a big step. It’s important to make a smart choice.”

“That’s what I’m trying to do,” I said, giving him a reassuring smile.

“Good,” Dad said, nodding approvingly. “Remember, it’s not just about the looks or the speed. Reliability and safety are crucial.”

“He’s right, Phe,” Mom chimed in. “You want a car that will get you where you need to go safely and without breaking down.”

“I know, Mom,” I said, rolling my eyes playfully. “I’m not planning on buying a clunker.”

“Good to hear,” Mom began. “I know you’ve been doing a lot of research this past year, but as you narrow it down, think

about what you need versus what you want in a car. As your dad mentioned, factors like reliability, fuel efficiency, safety features, and maintenance costs are super important.”

I scribbled down notes. Now that it was time to buy the car, this was no longer all theoretical. *So maybe a bright red convertible isn't the most practical choice*, I thought, *but a girl can dream, right?*

“Second,” Mom continued, “let’s talk about the costs beyond the car’s price tag. As a reminder, you’ll have expenses like insurance, fuel, regular maintenance, and unexpected repairs. It’s crucial to budget for these ongoing costs.”

I furrowed my brow. “Insurance, maintenance, repairs... It all adds up, doesn’t it?”

“Absolutely,” Mom confirmed. “But don’t let that discourage you. Be prepared and make informed decisions. I know we looked at the high-level costs back when you started saving, but now it’s becoming real and even more important to get right. We need to get insurance quotes, research the average costs of maintenance for different car models, and set aside an emergency fund for unexpected repairs. We’ll likely need to add you to one of our insurance carriers, so I can make those calls.”

I jotted down her suggestions. This car-buying thing was clearly going to be more complicated than I thought.

Dad, who had been listening quietly, chimed in, “Don’t forget about the fun part, Phe! Test-driving different cars, comparing features, and finding the one that feels just right.”

“Oh, I won’t forget about that,” I said with a grin. “I’ve already got a few models in mind, and I can’t wait to try them out on the open road!”

“That’s my girl,” Dad said with a wink. “I look forward to seeing what you both pick.”

“Speaking of picking,” Mom interjected, “let’s pick three car dealers and talk to the salespeople tomorrow. How does that sound?”

“That sounds great!” I replied, my excitement returning. Time to start test-driving some cars! *Maybe I can convince Mom to let me try out a convertible*, I thought, *even if I can’t afford it in the end*. It seemed like something I had to do to celebrate turning 16!



The next day, we went on our car-shopping adventure, visiting the three different dealerships as Mom had promised. Each was like stepping into a really cool, fancy store, with rows of tall floor-to-ceiling windows, gleaming cars, eager salespeople vying for our attention, and that new car smell hanging in the air.

“Okay, Phe,” Mom said, her tone filled with encouragement as we walked up to the first dealership, “remember what we discussed. Let’s take our time, ask questions, and explore our options.”

Nodding, I took a deep breath and walked into the showroom, feeling a mix of nerves and enthusiasm.

A salesman approached us with a friendly smile. “Hello! I’m Carl. How can I assist you today?”

“We’re looking to buy a car for my daughter,” Mom explained. “What can you tell us about the different models and their features?”

Carl nodded. “Great! We have lots of options that I’m sure will suit your needs.”

He guided us toward a selection of cars. As we strolled through the showroom, I gawked at the variety of models, colors, and features available. I walked up to a cool-looking sedan, loving its sleek look. Carl eagerly launched into a detailed explanation of its specifications, emphasizing its fuel efficiency and safety features. I listened intently, jotting down notes while Mom asked insightful questions about maintenance costs and warranty coverage. As we walked by the other cars, we asked similar questions about each of them.

“How much are the down payment and monthly payments on these cars?” Mom asked.

Carl printed out the information on each car for us, then he asked, “Are you ready to take some for a test drive?”

Mom chuckled. “Not yet; we still have a few other dealerships to visit. We’ll come back after we’ve narrowed down our choices. Thank you!”

Carl handed us a business card and invited us to come back anytime. After such a great start, I was excited to see how the rest of the journey toward my dream car would unfold!



After visiting two more dealerships that same day, we finally picked out the top choices for me to test-drive. My heart raced every time I slid into a driver’s seat, my fingers brushing over the smooth leather and shiny buttons. Each car seemed cooler than the last, and my head spun trying to pick a favorite. I even got to try out a convertible with the top down, which was a total blast!

After a lot of number crunching (Mom was a pro at negotiating with those salespeople!) and a few more visits to the dealerships, I finally settled on a car that perfectly balanced my needs and wants: a sleek, fuel-efficient Kia K5! The price tag was way higher than I’d initially budgeted for, but that had been true of all the cars. It wasn’t a Tesla, but the Kia’s reliability, safety features, and gas mileage made it a worthwhile investment.

Even after Mom’s hard negotiating, the down payment was \$2,845, which meant my savings of \$1,152 would only cover part of it. Thankfully, my parents could see that I was making good choices, so they generously offered to cover the rest. The lease would be \$285 a month over 36 months, and we agreed I’d be responsible for \$200 of that, plus gas. I was also lucky that Mom and Dad

agreed to add me to their insurance policy, so I wouldn't have to pay for that too. It was all so expensive; I wondered how on earth anyone could afford a new car without generous parents. Even with their help, I hoped I could afford it!

"I have a little something for you," Mom said, a wry smile crossing her lips as we walked out of the dealership to my new car. "Hand me your keys."

"Already?" I replied with mock confusion. "Did I break my curfew? My grades are fine."

Mom laughed. "No, dear, I want to give you this." She pulled an eagle keychain out of her pocket and handed it to me. "It symbolizes strength and freedom. Strength because you're a dynamic young woman, and freedom because this car will give you great opportunities over time. It also represents the freedom that smart financial choices can afford you."

"Wow, thanks, Mom!" I gave her a hug. "This means a lot to me. If I haven't thanked you enough yet, thank you again for all the great money lessons!"

"You're welcome, honey. Now let's go celebrate your new car!"

As we drove off the lot, a wave of pride washed over me. I had done it! I'd saved, budgeted, and made a major purchase all on my own (well, with a little, or a lot of, help from Mom and Dad). It wasn't a convertible or a Tesla, but it was still *my* car, and I couldn't wait to hit the road and drive off toward new horizons. With this huge step toward independence, I felt ready to take on the world, one mile at a time.

Amelia's Chapter 4 Takeaways – First Wheels:

Budgeting for Your First Big Purchase and

Exploring the Costs of Car Ownership

- **Planning for Big Purchases:** Whether it's an e-bike or a car, you're probably dreaming of owning that sweet ride someday. It's important to plan ahead and break down those big, scary costs into smaller, manageable chunks. Think of it like leveling up in a video game: you need to make steady progress to reach the next stage. Automating your savings with regular transfers to a savings account is like having a cheat code for success. And don't forget online calculators: they're your secret weapon to help determine those monthly payments. You'll also want to build in a cushion, just in case life throws you a curveball (like a loss of income or surprise expenses).
- **Factors for Buying Your First Car:** You're finally ready for that first car! Before you hit the dealership, think about what you can actually afford, how much the car will be worth if you sell it later (some cars hold value better than others), whether you want a new ride or a "pre-loved" one, how often you'll be filling up your tank (gas gets expensive fast!), and whether you want to lease or buy. Also, don't forget about insurance costs, warranty coverage, safety features, and of course, what car you actually like!
- **Costs of Car Ownership:** Car ownership involves more than the sticker price. It's not just the down payment plus the monthly principal and interest payments. A car is like a pet: it needs constant feeding (gas or electric charge), regular checkups (maintenance), and sometimes even emergency surgery (repairs). Then there are other pesky costs like parking, tolls, car washes, insurance, and registration. And don't forget about depreciation: your car loses value each year you own it. It all adds up, so make sure you factor all these costs in before signing on the dotted line! Visit yourfactsoflife.com/resources for worksheets on buying versus leasing and monthly costs.