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Andy Johnson enjoying a new pickup truck
photo by Chris Johnson

Buying That First Car

By Lee Ratliff

REMEMBER YOUR FIRST CAR? Of course you do, everybody does. Getting that first car is a pivotal moment in any teenager's life. It's a rite of passage—literally the keys to “freedom.” My first car was a 1979 Pontiac Bonneville, not the hippest ride for kid in the late '80s, but I remember how thrilled I was to get it. When my parents upgraded to an even bigger Detroit behemoth, I inherited the car with 100k miles already on the odometer. It was jet black with white-wall tires and a turning radius roughly equivalent to that of an aircraft carrier. My friends affectionately referred to it as the “pimpmobile.” I drove it for a couple of years during high school and then four years of college. When I moved to Dallas after graduation, it was the pimpmobile that dragged the U-Haul trailer containing my worldly possessions across half of the Southwest. When my financial situation finally improved, I traded it in, but I'll never forget it.

Like many first cars, mine was acquired through circumstance rather

than careful consideration of the needs of a teenager driver. It worked out all right for me, but a little thought and careful research will likely result in a more optimal fit when choosing a car for your soon-to-be-driving teenager.

The factors to consider when buying a car for a teenager are actually much the same as any other car purchase. Safety, reliability, cost, utility, aesthetics, and to some extent, performance are all important considerations. However, parents and teens often have contradictory ideas on the importance of the individual factors. Finding a car that meets the needs of both parties is where the challenge lies.

SAFETY

According to the Insurance Institute for Highway Safety, teens have a higher rate of automotive accidents than any other group and they are more likely to be at fault. Their accidents are more likely to involve speeding, so bodily injury is more common. Finally, teens are much more likely than adults to drive at night, especially weekend nights, when accidents happen more often. Clearly, vehicle safety is critically important for young drivers.

But parents often believe that the problem lies with other peoples' kids,

not their own. The fact is, inexperience and immaturity lead to potentially dangerous driving situations and all teenagers (as well as many adults) suffer from one, if not both, of these afflictions. For example, in a recent Autobytel survey, only 4% of parents identified drinking and driving as a top concern for teens, but 43% of teens said they had either driven while intoxicated or ridden in a car driven by an intoxicated person.

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So what makes a car safe? Well, despite many technological advances such as airbags, a lot still comes down to size. Quite simply, larger cars are safer than smaller cars. Most experts recommend that first cars for teenage drivers should be mid-size rather than economy or compact. In a study just released in March, the Insurance Institute for Highway Safety tested 14 small cars for side impact crash safety. Twelve of the 14 cars received a “Poor” rating, the worst possible rating. Many of the cars were tested with standard or optional side airbags. In two cases, an optional side airbag lifted the rating from “Poor” to “Acceptable”, but in seven other instances the structure of the car was compromised to an extent that severe bodily injury could result even though the airbag helped protect the head. Their conclusion: “Side airbags can protect the head, but



Cars to Consider

Honda Civic – Almost everything you'd want in a first car. Convertible version available in 2005.

Hyundai Sonata – Despite being a punchline in the past, Hyundai has turned the corner with the Sonata, rated the world's most reliable car by Consumer Reports. 5yr/60k mile warranty. Family car styling.

Toyota Scion xA/xB – Edgy styling, great mileage, and well equipped. The xB has love-it-or-hate-it looks that are bound to draw attention.

Mini Cooper – One of the most fun cars on the planet. Maneuverability, styling, 6 standard airbags, and 3yr/36k mile free maintenance make up for what it lacks in utility. New features for improved side impact protection.

Volkswagen Golf – Best-in-class fuel economy and a practical design, though Volkswagen continues to struggle with reliability.

Honda Element – Extremely pragmatic is the best phrase to describe the Element. The result is a boxy appearance that grows on you. Very roomy with practical features for those on the go.

Honda Accord – A family car, but perfect characteristics for the teenager if they can get past the stodgy looks and reputation. A perfect car to buy used.

Toyota Camry – Toyota's competitor to the Accord. Ditto to above.

Toyota RAV4 – Stylish and practical. This small SUV has all the desirable characteristics, but the price edges up to \$20k even without options.

Chevy Cobalt – New for 2005. A descendent of the Cavalier, but with improvements in almost every area. Get the optional side airbags.

if the vehicles' structure doesn't hold up well then serious injuries to other body regions still can occur. With better structures along with side airbags, the performance of these vehicles would improve." The "Acceptable" vehicles were the Chevy Cobalt and the Toyota Corolla – when outfitted with optional side airbags – otherwise they were rated "Poor" just like the rest. The Institute saved particularly harsh criticism for the Dodge Neon, saying it has "major problems beginning with its structure. This car is a disaster."

Other safety features to look for include anti-lock brakes, multiple airbags, and good front and rear visibility. Equally important are the characteristics to avoid. Avoid sports cars and vehicles sold as "performance cars." Also stay away from large SUVs and other vehicles with high centers of gravity that have a greater tendency to roll over during emergency maneuvers.

INITIAL QUALITY & RELIABILITY

Vehicle reliability is also a major concern for parents since it can negatively impact the car's safety and cost of ownership. Consumer Reports magazine, one of the most respected authorities on vehicle reliability, just published its 2005 annual auto issue. Japanese and Korean carmakers scored best on reliability with just 12 problems per 100 vehicles. The Big Three are still closing the gap with a problem rate

of 17 per 100. European automakers continue a downward slide with a rate of 21 per 100. Of the European brands, only Audi rated above average. The most reliable carmaker was Subaru at 8 problems per 100, while the most reliable vehicle was the Hyundai Sonata with only 2 problems per 100.

"The Insurance Institute for Highway Safety served particularly harsh criticism for the Dodge Neon, saying it has 'major problems beginning with its structure. This car is a disaster.'"

So how do you know if a particular model is reliable? Seek an unbiased source and do lots of research. Consumer Reports is a good starting point. The opinion of friends can also be helpful, but don't make a decision based on only one or two data points. Your friend may have had a good experience with his Yugo, but that doesn't mean you want to buy one for your kid. Instead, check out the JD Power website. They



Websites for Car Research

Edmunds.com – Good for general research on new and used cars, including used car valuations. Mostly free.

Kbb.com – Kelley Blue Book. A great site for researching new and used car valuations including MSRP, invoice, trade-in value, etc. Mostly free.

Carfax.com – A good source for learning the history for specific used cars. Find out if it's ever been a lemon, salvaged, a rental car, flooded, stolen, or in a major accident. Most reports require a fee.

Consumerreports.org – Comprehensive ratings on hundreds of models, car buying guides, and consumer protection advice. Most content requires a subscription. Consider getting it at the newsstand.

Jdpower.com – The premier site for consumer ratings. Free.

Nadaguides.com – Information on car valuations. Often used by professional car buyers.

Motortrend.com – Car magazine. Good for road test write-ups.

Caranddriver.com – Another car magazine. Ditto on road tests.

collect data from thousands of people who own the car you're interested in so you get a more reliable cumulative opinion. Edmunds.com is another good source.

COST

If you're buying a new car you can probably expect to spend at least \$13,000 to get a car that meets the minimum safety requirements. The good news is that there are plenty of options between \$13,000 and \$15,000. One car that stands out is a perennial favorite, the Honda Civic. Starting just north of \$13,000, the Civic is one of the best values on the market today. It's one of the most refined cars available and has been showered with industry awards for value, safety and reliability. It's also popular with kids because it has one of the largest aftermarkets for products to customize its looks, performance and audio system.

However, the initial cost is still only one aspect of the total cost. You should also take into account the total cost of ownership, which includes ongoing expenses such as fuel, insurance and maintenance. Ignoring these factors can cost thousands of dollars over the life of the car.

Everybody knows that fuel economy is becoming more important than ever as the average cost of a gallon of gas creeps over \$2. Who knows what it will be in a few years? Besides, most likely your kid will be paying for the gas and kids never have much money. Today, many models are available that

have city mileage of greater than 25 miles per gallon (mpg). Some, like the Volkswagen Golf or Jetta, feature city mileage of up to 38 mpg. Don't overlook fuel economy since this is an area that can save your teen (or you) \$10-\$15 per week.

Insurance is another expense with potential for big savings. Insurance for kids with clean driving records is expensive enough, but a single ticket or worse, an accident, can double what you may pay, so the best tip is to drive safely. Most insurance companies offer discounts for driver's education courses and good grades, so take advantage of these savings and be sure to ask your agent for other discount opportunities.

"Used vehicles definitely offer some of the best automotive value for your dollar. For under \$10K you should be able to buy a late model mid-size car."

UTILITY AND FUN

Many of the most innovative vehicles today are combining utility and distinctive, fun styling. The Honda Element, Chrysler PT Cruiser, Toyota Scion, and the new Volkswagen Beetle are just a few of the recent designs that are defying conventional categorization. While some, like the Element or the PT Cruiser, lean toward utility, others, like the Beetle or the Scion, place more emphasis on style. However, all of these vehicles offer distinctive style and seat four.

SHOULD I BUY A USED CAR?

Used vehicles can definitely offer some of the best automotive value for your dollar. For under \$10,000 you should be able to buy a late model mid-size car that might cost twice as much if purchased new. When buying a used car you must do all of the same careful research on the make and model that

you would do for a new car. In addition, you need to do additional research on the specific car you are considering. Bring a car-savvy friend along to help kick the tires. You can also take the vehicle to a mechanic for an inspection. If the seller won't allow you to do this, there are several companies who specialize in used car inspection that are equipped to bring their equipment to the car. If the seller won't allow this, find

another seller.

Stick to late model cars when searching for a used vehicle for your teen. You definitely want many of the safety improvements that have been made to cars in recent years, as well as the improved reliability that comes with newer vehicles. You often hear people say, "They don't make cars like they used to," and in most cases that's a good thing. Even in just the

past ten years carmakers have made major improvements in almost every area including safety, performance, fuel economy and reliability.

Researching, selecting and purchasing that first "ride" can be almost as memorable as the first vehicle itself. Think back, what was your first car?

Lee Ratliff is a freelance writer living in Plano.

Car Buyer Beware

WHETHER YOU ARE PLANNING to purchase a new car for yourself or your graduate, you need to be aware of one of the techniques used by some auto dealers to "lock you in" and deny their competition a chance for your business. It's called "conditional delivery" or "provisional delivery." While Frisco STYLE doesn't even pretend to be a consumer protection publication, one of our own experienced the brunt of this tactic from a Honda dealership in Richardson – and it wasn't pain-free. It goes like this:

1. In order to avoid the hassle often associated with buying a new car at a dealership, you hand-deliver your packet of financial information to the Honda dealership for "pre-approval."
 2. Two days later, the salesman calls to inform you that you're approved and you should come in and pick out your new car. He assures you that the finances are all settled and you are "ready to go."
 3. You go into the dealership, meet with the salesman, pick out your car and settle on a purchase price, including dealer add-ons.
 4. You are escorted to the finance office to "complete the paper work." There you are told how great the car is and shown the financial terms under which you are purchasing (or leasing) the vehicle. You sign the paperwork, believing you have completed the transaction.
 5. You leave the dealership with your new car, expecting to get a call from the dealership in a couple of weeks to have your dealer options installed and pick up your license plates.
 6. Enjoying your new vehicle, you sell your previous car.
 7. Twelve days later, you are called by the dealership and informed that they don't want to complete the transaction under the financial terms discussed during your visit. You are asked to find your own financing. You call your bank and other financial sources to get the process started on new financing.
 8. The next day the dealership calls and says they found the solution. They "got it worked out." You are asked to come into the dealership to sign the papers.
 9. You go back to the dealership in your new car only to find out that the terms have changed – significantly. Your payment is now \$175 more than what it was previously and the dealer is puzzled as to why you won't accept this great deal.
 10. You explain that you cannot accept the new terms and will wait to hear from your own financial sources.
 11. Even though you have no other transportation and have extra keys at home and have to pick up children after ball practice, etc, the dealer then informs you that you need to leave the car at the dealership.
 12. You request your deposit back from the dealer, but are told it won't be ready for a couple of days. You tell the dealer you will return the car when your check is ready. You leave the dealership in the new car.
 13. The sales manager calls you several times over the next hour threatening to call the police because, according to him, you have "stolen" the car. He yells at you explaining that all costs associated with getting the car back will be your responsibility, as you are now a car thief.
- hardly the enjoyable car-buying experience. Fortunately, in this case, a Honda dealership in McKinney was able to provide the transportation at acceptable financial terms and the ordeal has ended.

LESSONS LEARNED

1. Review all the advantages and disadvantages of leasing verses buying an automobile and determine if leasing from the manufacturer is the best option for you.
2. If you decide to purchase your vehicle, try to secure the financing before going to the dealership. Perhaps your best source is your bank or credit union.
3. If you must secure financing from the dealer, make sure there's no "conditional delivery" or "provisional delivery" paragraph in the financial agreements. By doing this, you will know that a transaction has been completed and that you can go ahead and put your umbrella in the trunk.
4. Consider the advantages of a nicely equipped Schwinn verses a car for any teenager!