

How to Buy a New Car

If the cacophony of car ads gets your head spinning, it's no wonder: there are hundreds of makes and models to choose from.

Information that is readily available on the internet at sites like Kelly Blue Book (www.kbb.com) and Consumer Reports magazine (www.consumerreports.org) can help you narrow your choices and shop wisely. Popular vehicle models often have owner forums dedicated to the discussion of that particular vehicle. You can get a sense for how happy other owners are with the vehicles you're considering, and find out what mechanical problems are common to each model.

Once you've decided on a few vehicles of interest, make an honest assessment of your finances. You have to know how much you can afford to spend on a new vehicle before you can head to the showroom. Begin by looking at your monthly budget. Subtract your fixed expenses (rent or mortgage, cellphone, etc.) and your estimated expenses (food, entertainment, etc.) from your net income. The result should be a good indication of what you'll be able to budget every month for car payments.

Although new cars generally don't require costly repairs, they still require licensing, registration, insurance, gas and routine maintenance—all of which should be added to your estimated monthly expenses.

Once you've decided on an amount you can afford, assess your needs. Will you use the vehicle to commute to work every day? If so, look for a fuel-sipper. Will you be hauling a lot of stuff or carting the kids to soccer practice? Maybe a sport-utility vehicle is right for you. Do you regularly pick up clients at the airport or attend business meetings with colleagues? Think about a sleek sedan. Looking to leave light rail behind for a night on the town? Consider something sporty.

Finally, consider what you really want in a vehicle. Are you concerned about safety? Performance? Comfort? Do you want a vehicle that is nimble in traffic? That fits in tight parking spaces? That's rugged enough for off-roading or towing?

The best advice is to do your homework before you show up at the dealership. Read publications, gather reviews, consider the pros and cons of the vehicle you're interested in and the price available options. If you know anyone who owns the vehicle in which you're interested, ask if he or she is happy with it. A good testimonial from a friend can help you be more confident in your decision. On the other hand, a horror story about an expensive repair or performance problem may steer you towards a different model that you'll be happier with.

And don't forget to check out the dealership you intend to do business with. Consider how close it is to your home—an important factor when you need repairs and maintenance. Make sure to ask friends or relatives who've purchased vehicles from a dealership recently whether they would recommend the business.

Once you have decided on a dealership, be prepared to negotiate on the price. Don't let your emotions overrule your reason, and don't let the salesman convince you that the car you're interested in will be snatched up if you don't buy it that day.