

Tennessee Society of CPAs
201 Powell Place
Brentwood, TN 37027
615/377-3825
www.tscpa.com

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CONTACT:
Jared Booth
Communications/Technology Associate
jbooth@tscpa.com

Five Smart Tips for Buying Your Next Car

Automakers sold over 17 million cars in the United States in 2015, which means that, at any given time throughout the year, many Americans are [getting ready to head out to a dealership](#). How can you drive away with the best deal? The Tennessee Society of CPAs offers some savvy advice.

Research Your Options

It's important to decide up front which models will best suit your needs, a process you can begin by doing research online or asking friends about their experiences with brands you like. When you compare cars, factors to consider include insurance rates, safety ratings, fuel economy, and ratings from consumer organizations that assess product quality.

See for Yourself

While advance research is valuable, you should definitely visit dealerships and take test drives as well. Bring along the people who may be driving or riding in the vehicle to make sure that everyone is comfortable. If you have young children, bring their car seats or other necessities to make sure they're easy to load and fit in the available space. Getting a low price doesn't mean getting a good value if the car doesn't really suit your needs. Call ahead to make an appointment and avoid going on a busy weekend or evening. Test drive the cars not just around the block, but also on highways and any other types of roads you're likely to use. Even if the salesperson insists he or she can offer a great deal, feel free to put off your decision if you need more time to think or to look at other types of car.

Get Preapproved

There are two great reasons to get bank preapproval for an auto loan before you go shopping. First, the loan amount you can get from a bank or credit union can help you determine how much you can afford to pay for a vehicle. Second, it can give you a good idea of the interest rate that's available for someone with your credit rating. Even if you decide that a loan obtained through the dealership is a better offer, with a commitment from a bank in hand, you may be able to negotiate a better deal on the car or get a reduction on the dealer's interest rate.

Do Your Homework on Price

Consider checking online sites that report invoice prices and average sale prices for different vehicles. With those ballpark numbers in hand, contact several dealers and ask their total price for the car that interests you. Confirm that the price they quote includes all taxes, fees and the costs of any add-ons or options. If you're interested in an extended warranty, prepaid maintenance plan or other additional service, ask what they'll cost beforehand so you have time to decide if they're worth taking. Be aware that you may be able to find some of these services from other sources, as well. Use the pricing information you've gathered to choose the dealer with the best offer or to negotiate a better price from another dealer.

Don't Overlook Discounts

Some automakers or dealerships may have special discounts for members of the military, students or other groups. You can find out more by looking online or asking dealers about what they offer.

Consult Your Local CPA

Every day, local CPAs offer clients expert advice on a wide variety of financial concerns, including making a major purchase or obtaining a loan. Whatever your financial questions, your CPA can help you find the answers.

About Money Management

Money Management is a column on personal finance that is a joint effort of the AICPA and the Tennessee Society of CPAs, as part of the profession's nationwide 360 Degrees of Financial Literacy program. Members of TSCPA are CPAs residing and practicing primarily in Tennessee in all areas of public accounting, education, government, business and industry. TSCPA offers a speakers bureau for many types of business and educational engagements. For details, visit www.tscpa.com. TSCPA is headquartered in Brentwood, Tenn.