

**WEOKIE'S GUIDE TO  
NEW CAR SHOPPING**



Car shopping is often an anxiety-filled experience. It requires a significant time investment in researching vehicles, exploring loan options and choosing a dealership or private seller. Not to mention, car salespeople can be aggressive in their tactics, and there is this never-ending concern that you might be ripped off by either paying too much or buying a lemon.

There are many benefits to buying a new car, mostly, you'll have access to warranty options, and you don't have to worry as much about any issues stemming from mistreatment of the vehicle. However, there could be concerns such as manufacturer recalls or depreciation on your newest purchase.

To help with all the big decisions involved in purchasing a new car, we've created a comparison guide to help you weigh the pros and cons including buying new or used, to lease or to buy, to use cash or a loan, financing through a dealership, bank or credit union and types of warranties.

The first step most buyers take when they start comparing their options is determining the difference between two or three different vehicles. Those types of comparisons require a large database, so here are some tools that can help you view the pros and cons of various vehicle options.

## TOOLS FOR CAR COMPARISONS

- [Cars.com](#)
- [Edmunds Car Comparison Tool](#)
- [US News & World Report Car Comparison](#)
- [Kelly Blue Book](#)
- [NADA Guidelines](#)

## WHICH IS BETTER, CERTIFIED PRE-OWNED, PRIVATE SELLER OR NEW?

After determining what vehicles you're most interested in purchasing, the next step is usually making a decision between dealerships or buying privately and whether or not you want a new or used car. We've outlined some important features of this decision, such as whether or not you'd prefer the latest technology or a vehicle that won't experience steep depreciation in the months following the purchase.

*(In this comparison sheet and others, the "~" means the option might have the feature in some circumstances and not in other circumstances. For example, a used car might have an unblemished vehicle history report, but unlike a new car, it might have been involved in a car wreck or flood). CPO= Certified Pre-Owned.*

FEATURES	NEW	CPO/USED	PRIVATE
Includes the Latest Technology Available	✓	-	-
Best Safety Features on the Market	✓	-	-
Fuel Efficiency Advancements	✓	-	-
Less Expensive to Purchase	✗	✓	✓
Reduced Cost of Ownership	✗	✓	-
Less Likely to Experience Steep Depreciation	✗	✓	✓
Lower Insurance Costs	✗	✓	-
Lower Mileage	✓	✓	-
Unblemished Vehicle History Report	✓	-	-



## IS LEASING OR BUYING THE BEST OPTION?

Some new cars come with an option to lease rather than buy. Leasing can seem really appealing at first, and in some circumstances, it does offer plenty of benefits. However, there are some serious considerations you need to assess before you make your decision.

FEATURES	LEASE	BUY
Reduced Monthly Payments	✓	-
Easy and Inexpensive Maintenance	✓	✗
Simple Trade-In Options	✓	✗
Lower Sales Tax	✓	✗
Reduced Downpayment Requirement	✓	-
Full Ownership of the Vehicle	✗	✓
Unlimited Mileage	✗	✓
Options to Customize the Vehicle	✗	✓
Cash Trade-In for New Vehicle	✗	✓



## IS IT BETTER TO SAVE AND PURCHASE IN CASH OR FINANCE?

There are many benefits of buying a car in cash. For example, you won't have to make any interest payments on a loan. However, you'll have to strategically save to make a purchase this big in cash, and sometimes, you need a car long before you'll have enough.

Financing a car has benefits, specifically, you don't have to spend your savings account. When you find the right loan, the interest payments aren't a deal breaker.

FEATURES	LEASE	BUY
No Interest Payments	✓	✗
No Loan Fees	✓	-
Budget Doesn't Need to Accommodate Loan Payments	✓	✗
Deplete Savings Account to Make the Big Purchase	✓	✗
Earn Incentives for Financing	✗	✓
Opportunity to Build Credit	✗	✓



## HOW SHOULD YOU FINANCE YOUR CAR?

If you do decide to finance a car, you'll need to pick a lender. Sometimes, it seems like accepting whatever the dealership offers is the fastest and easiest route to a new vehicle. While it may feel that way, shopping around and getting pre-approved for a loan is the only way to find the best deal.

Getting pre-approved for a loan is often just as hassle-free as accepting a dealership financing offer.

FEATURES	BANK	DEALERSHIP	CREDIT UNION
Requires Little to No Pre-Planning	✗	✓	✗
Options for Individuals with Low Credit Score	-	-	✓
Less Up-Front Hassle	✓	✓	✓
Low-Interest Rate Options	-	-	✓
Better Loan Terms	-	✗	✓
Better Offers and Specials	-	-	✓
Quality Customer Service	-	-	✓

## EXTENDED WARRANTIES - MANUFACTURER VS. THIRD PARTY WARRANTY

Generally, it is a better idea to avoid extended warranties. However, some newer cars, like hybrids, have components that are at a higher risk of defaulting. Replacing a complete battery pack on a plug-in vehicle may set you back a pretty penny if you have to do so out of pocket. You can take the gamble that costs will come down in time, or you can get an extended warranty.

But, where do you sign up for one? Manufacturers warranties are sold with the car. Generally, you have to have it before you drive off the lot, though sometimes you can get one after a set time. A third party option can take a little more time to get and it really depends on what company you choose.

	3RD PARTY	MANUFACTURER
Cheaper	✓	✗
No Estimates Needed	-	✓
No Approval Needed	✗	✓
No Out of Pocket Repair Costs	✗	✓
Guaranteed Fit for your Car	✗	✓

## ARE YOU READY TO LEARN MORE ABOUT HOW WEOKIE CAN HELP YOU ON YOUR NEXT VEHICLE PURCHASE?

Our lending specialists can help you outline specific financial goals, reach out to us today at **(405) 235-3030** or **1 (800) 678-5363**. You can also contact us online at [email@weokie.org](mailto:email@weokie.org).

