

Get the Most from Your Car Purchase

Automobiles are among the major causes of the debt that's burdening many people these days. And, this debt is a major contributor to stress within marriages. A study by the Creighton University Center for Marriage and Family shows that among couples ages 29 and under, top concerns include their household financial situations and debt brought into marriage.

However, excessive debt is stressful whether you're under or over the age of 29. So, I encourage you to limit the amount of debt you assume, and one sure way to do that is by making wise choices in the automobiles you purchase.

According to the Consumer Bankers Association (CBA), the average new automobile loan totals more than \$22,000, and 88 percent of new automobile loans are longer than 48 months. How much longer? CBA says



45 percent of loans extend beyond 60 months. And, maximum loan maturities are now extending to 77 months – more than six years.

Because of depreciation, a longer loan maturity increases the likelihood that you'll end up owing more than your automobile is worth. This is called being "upside down," and it's estimated that 40 percent of automobile owners are in this predicament. On average, the amount they owe is more than \$2,000 greater than their automobiles' values!

To avoid being upside down, you must take depreciation into account. Within two years, it will claim up to 40 percent of a new automobile's value. Thus, at the end of two years, your \$25,000 sedan could be worth \$10,000 less.

One way to beat depreciation is to buy an automobile that's two or more years old. Don't let yourself be persuaded by advertising that promotes new cars based on image. Instead, seek affordable, but reliable, transportation. One way to find a good used automobile is to ask your friends and family if they have one for sale. Many times they do and just haven't mentioned it. Another benefit of this approach is that in most states, there's no sales tax on private owner sales.

When you buy an automobile, make a significant down payment to reduce the amount you need to borrow and opt for a shorter-term loan. Try to pay off the loan early, and plan to keep the automobile at least three years after your last payment has been made.

Once the loan is paid off, don't stop making payments. Instead, keep making the same payment...to yourself. Put the money into an account that you can use to buy your next automobile. By doing this, you may actually be able to buy your next automobile with cash.

Larry Burkett (1939-2003), a well-known author, teacher, and radio personality, was co-founder of Crown Financial Ministries, whose daily radio broadcasts are heard on more than 1,000 stations in the U.S. Larry's best-selling books include The Coming Economic Earthquake, What Ever Happened to the American Dream? and Victory Over Debt.

Bike Safely with Your Family

According to the American Academy of Family Physicians, riding a bicycle can be good for the whole family. It can help you get in shape and lose weight, and it can reduce the risk of health problems such as



heart attacks. **Here are several safe biking tips:**

- Protect your head by wearing a helmet at all times.
- Wear sunglasses to prevent dust and bugs from getting into your eyes.
- Wear bright, reflective clothing to make it easier for drivers to see you.
- Install a comfortable, padded seat or wear padded shorts to reduce buttock pain.
- Learn the basic traffic rules for bicyclists.
- Check the bike to make sure everything is working correctly before riding.

For more information, visit the American Academy of Family Physicians at www.familydoctor.org or the National Center for Injury Prevention and Control at <http://www.cdc.gov/ncipc/bike/>.

Give Your Home a Check-Up

- Clean the gutters. Make sure downspouts or splash backs direct water at least six feet from the foundation.
- Have the central air conditioning unit checked. Replace the filter in the forced-air system. Clean debris from condenser or heat pump outside.
- Remove mineral deposits from faucet aerators and shower heads by soaking parts in white vinegar and scrubbing with an old toothbrush.
- Have the swimming pool cleaned. Inspect and service pool liners and filters.

Save Money on Electricity

- Turn off anything you're not using – this includes lights, TVs, radios, and computers.
- Use energy efficient light bulbs, such as compact fluorescent bulbs.
- Turn your thermostat up in the spring and summer when you're not home.
- Weatherize windows and doors on your home.
- Upgrade your refrigerator or freezer to a more energy efficient model.
- Upgrade your attic insulation.
- Unplug appliances and other electronic items not in use.
- Use your dishwasher, washer, and dryer only when you have a full load.
- Change the filter on your air conditioner as recommended.
- Use dimmers, timers, and motion detector lights for outdoor lighting.

