



# elements<sup>®</sup>

of money

Published for teen members of



The **DRIVING** Issue

## DRIVING A CAR COSTS HOW MUCH?!?

According to a report by the Automobile Association of America, the average cost to own a car is \$8,876 a year. So why is it so expensive to drive today?

**HERE ARE A FEW EXPENSES THAT CAN ADD UP FAST:**

**FUEL.** The price of gas can make a big difference in how much you'll pay to drive. Fortunately, gas prices today are at a reasonable rate. Your gas bill will also depend on how many miles you drive.

**CAR INSURANCE.** If you're under 25 years old, you can expect to pay high rates for car insurance (\$1,000+ per year). Look for companies that offer student discounts for good grades or if you complete a safety program.

**MAINTENANCE AND REPAIRS.** Whether it's money to change your oil, fix a flat tire, or to buy new windshield wipers, there is almost always a repair waiting to be made. Be prepared to pay.

**LICENSE AND REGISTRATION.** Every year, you need to pay a fee to update your vehicle registration. The costs vary on the age of your car, as well as the state that you live in.



# 37%

of 16-20 year olds  
plan to buy a car in  
the next year.

# THREE CAR LOAN TIPS

Power tips everyone should know before buying a car

Buying a car can be expensive. That's why most people get a car loan when they're ready for a new ride. Before you sign on the dotted line, keep these three tips in mind:

1

Start saving money as soon as possible. You may not be able to save enough to buy the entire car by yourself, but you can use this money as a down payment. The more money you pay up front, the less money you need to borrow. This means a lower payment each month.

2

Choose a short loan term if possible. The term is basically how many months it will take you to pay off your loan. A 36-month loan may have higher monthly payments than a 48-month loan, but you'll pay less money over the long term.

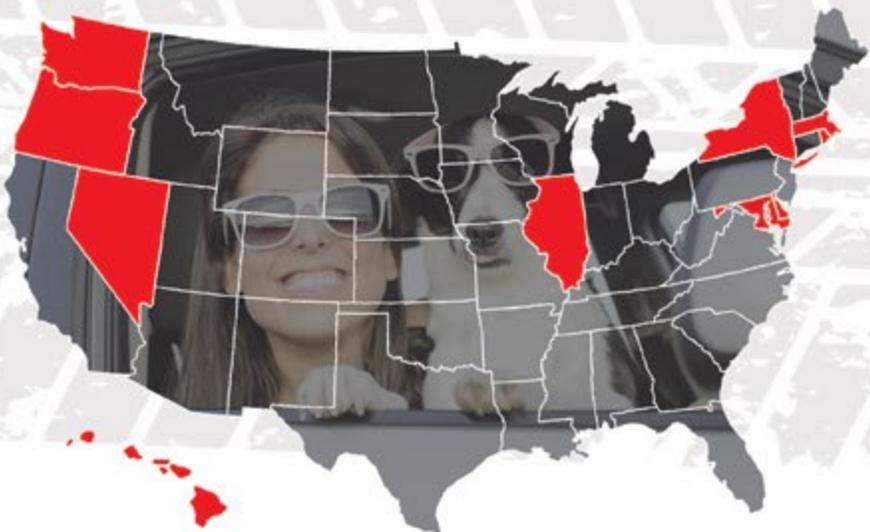
3

Use rebates if available. If there's a cash-back rebate option on your car, take the rebate and finance the car with your credit union. Use the extra money as part of your down payment. It's a great way to get free money and lower your monthly payments.

top 10

## best states for teen drivers

BASED ON INSURANCE COSTS, DRIVING LAWS, VEHICLE REPAIRS AND ACCIDENT STATISTICS



1. **NEW YORK** Source: WalletHub 2014 survey

- |             |                  |               |
|-------------|------------------|---------------|
| 2. Hawaii   | 5. Rhode Island  | 8. Delaware   |
| 3. Illinois | 6. Massachusetts | 9. Washington |
| 4. Oregon   | 7. Maryland      | 10. Nevada    |

## The 6th Annual Tweet for College Scholarship



A scholarship essay contest in 140 characters or less.

**FEATURING \$2,000 IN SCHOLARSHIP AWARDS**

The Tweet for College scholarship is open to high school juniors and seniors around the U.S. who belong to the Elements of Money program. There are four **\$250 scholarships**—one given every two weeks beginning on January 15, 2015 and ending March 15, 2015—and one **\$1,000 first place scholarship** to be awarded to an overall winner.

**For essay topic and official rules, visit [www.ElementsofMoney.com](http://www.ElementsofMoney.com).**

money **FACT**oid:

*It's usually cheaper to be added to your parents' car insurance policy, rather than be insured by yourself.*

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