# Financial literacy − owning a car

This activity is part of a series of activities focused on financial literacy. It introduces expenses and financial impacts of owning a car.

Duration: 30 minutes

**Focus of the learning**

* Identify the various costs associated with purchasing and owning a car.

**What you need**

* access to the internet and laptop/tablet/phone
* online access to the [ASIC MoneySmart website](https://www.moneysmart.gov.au/)

### Activity – Buying a car you can afford

This [ASIC MoneySmart’s car webpage](https://www.moneysmart.gov.au/life-events-and-you/under-25s/getting-a-car) contains useful information for young people considering purchasing a car.

Watch [In the driver's seat - MoneySmart Rookie video](https://www.youtube.com/watch?v=7rXdTPbfKzE).

There are six main expenses associated with owning a car.

1. Price.
2. Registration.
3. Insurance.
4. Running costs.
5. Servicing and repairs.
6. Loan repayments (if using credit).

Use the table to record at least three examples of things related to each of the main expenses. These examples may be specific costs or factors that may impact on the cost.

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| Expense | What is associated with the expense? |
| Price | e.g. make and model, new or old car |
| Registration | e.g. size of vehicle |
| Insurance | e.g. driving record |
| Running costs | e.g. tyres |
| Servicing and repairs | e.g. availability of parts locally |
| Loan repayments | e.g. payment schedule |

### Activity – Research the cost of buying a car

Research the cost of purchasing a car, even without finance. Select a car of specific make and model. Identify and record the costs for someone to purchase and insure the vehicle on their 18th birthday, including CTP green slip quotes and comprehensive insurance quotes. Add the ongoing costs to establish an annual cost and associated budget.