

Financial Literacy 101: Credit Loans & Credit Score



New Mexico
State Treasurer's Office
The Honorable Tim Eichenberg
State Treasurer
Samuel K. Collins, Jr.
Deputy State Treasurer

Car Comparator

There are many factors to consider when you think about buying a car. In the table below, list three different cars that interest you. Then find out what the total cost of each car will be by researching car prices, payment, insurance, fuel, and maintenance items. Use the internet to help you in your research.

	Vehicle 1	Vehicle 2	Vehicle 3
Year/Make/Model			
Monthly Payment	\$	\$	\$
Insurance	\$	\$	\$
Monthly Total	\$	\$	\$
Maintenance			
1. Fuel Cost/MPG			
2. Tires	\$	\$	\$
3. Oil Change	\$	\$	\$
4. Timing Belt/Water Pump	\$	\$	\$

1. Research the fuel cost per day:

# miles driven per day	÷ miles per gallon (MPG) your car gets	= the gallons of fuel needed per day	x price per gallon of the type of fuel your car requires	= fuel cost per day
	÷	=	x \$	= \$

2. Research the type of tires recommended for your vehicles and the cost.

3. Research the vehicle's recommend oil change intervals and oil type (conventional, synthetic, or synthetic blend).

4. Research the price for replacement of the vehicle's timing belt and water pump (which are usually replaced at the same time to save labor costs).

Purchase Comparison Example

Let's say you want to purchase a Samsung 4000-Watt Giga Sound System:

Name of Business→	Aaron's Financing*	Conn's Financing	Target Financing	Walmart Financing	Credit Card**
Cost of Item	\$1,830.00	\$1,700.00	\$1,600.00	\$1,447.00	\$1,447.00
Interest Rate	57%	30%	27%	24%	8.25%
Monthly Payment	\$129.42	\$123.98	\$126.86	\$127.51	\$126.04
Term (How Long)	24 Months	17 Months	15 Months	13 Months	12 Months
Total Cost	\$3,106.08	\$2,107.66	\$1,902.90	\$1,657.63	\$1,512.48

* Aaron's offered rent-to-own for \$129.42 for a 24-month term, so we used this as our budget for this item and in the credit calculator.

**Credit card rate with excellent credit score: Creditworthiness item bought at Walmart, best price.

Research Your Own Items and Compare

Use a credit card calculator to help determine the following by entering:

\$ The cost of the Item

\$ The interest rate, based on the creditor/credit card terms

\$ Your budget: What you can **afford** to pay and are **willing** to pay per month

Name of Business→					Credit Card
Name of Item					
Cost of Item					
Interest Rate					
Monthly Payment					
Term (How Long)					
Total Cost					

Name of Business→					Credit Card
Name of Item					
Cost of Item					
Interest Rate					
Monthly Payment					
Term (How Long)					
Total Cost					