Think you might want to own a car one day? Earning your Financial Literacy badges can be the key to getting you there!

When you earn your Financial Literacy badges, you learn how to save, build credit, research, comparison-shop, and negotiate. These are the very same skills you use to buy a car.

Rev your engines, Cadettes, Seniors, and Ambassadors! We’ve developed some activities to help you learn car-buying skills while earning your Financial Literacy badges.

**How?** First take a look at the Financial Literacy badges in *The Girl’s Guide to Girl Scouting*. You’ll see that you need to complete five steps to earn a badge. For each step, you can choose from three activities.

Next read through these car-buying activities for your badge level. Note how the activities are matched to a step from the original badges. Do that activity for the step indicated instead of the one in your book. Then do the other steps as written in *The Girl’s Guide to Girl Scouting*. Just make sure to complete all five steps to earn your Financial Literacy badge.

**SAFETY MEASURES**

Factor safety into your car-buying equation. Explore cars with safety features you might want: back-up camera, indicators, anti-lock braking system (ABS), head-protecting side air bags, electronic stability control (ESC), Bluetooth for hands-free phone calls—and find out the costs associated with each. Also check into the cost of roadside assistance in case you break down on the road—this might be through an auto club, car insurance, or may even be part of your car’s warranty.
LEARN TO COMPARISON SHOP.
Cadette Badge: Comparison Shopping

Buying a car can be confusing because there are hundreds of choices. How do you begin? For Step 1 pick one type of car—sedan, hybrid/electric, convertible, hatchback, station wagon, luxury, SUV, or small car. Then go online to compare the cost of three cars in your chosen category. Car reviews and ratings are a good way to learn the pros and cons of your car. For Step 2 look at online reviews to see what experts and consumers say about your car. Did you read anything that changed your mind?

MAKE A BUDGET.
Cadette Badge: Financing My Dreams

For Step 5 add “Dream Car” to your “Dream Budget Worksheet.” Go online or check newspaper ads to find the cost of the car you want. Then add in gas (estimate how much fuel you’ll use a year), maintenance (talk to a mechanic about what this includes), and the cost of insurance. This total will be your rough cost. Next come up with an amount you can put away each month. (It can just be a guess.) How much will you need to save each month to reach your goal of car ownership? What are you willing to give up to get a car you can afford?

IMAGINE YOUR CAR AND START SAVING.
Cadette Badge: Budgeting

It may seem like a dream right now, but buying your own car could very well be in your future. It’s never too early to set plans in place to make the dream a reality.

For Step 1 make a list of all the qualities you value in a car. Is it a sporty two-seater? A roomy SUV? A gas-saving hybrid? Now put these values in the order that’s most important to you. If you feel like being artsy, draw your dream car or create a collage of magazine car photos that appeal to you. In Step 3 you find out different ways to save money. Stash away part of your allowance, babysitting earnings, or birthday money for a car. Or decorate a “car jar” and start saving coins; you’ll be surprised how fast the change adds up!

“People first, then money, then things.”
—Suze Orman, financial adviser
DO THE RESEARCH.
Senior Badge: Buying Power

To start this badge, you pick one major item you’d like to purchase. Make a car the big purchase, then proceed with all five steps this way: Step 1: Go online or visit a car dealership to find out how your car’s optional features change your overall cost. Step 2: Read reviews or ask friends or family members to give you feedback about the car you want. Step 3: Ask a car salesperson or check car ads to find out what kind of down payment you need to buy a car. Step 4: Investigate online or talk to a dealer about the best time to buy a car. Is it at year-end when dealerships are getting rid of last year’s models or over holiday weekends when sales are traditionally advertised? Step 5: Fill out the savings plan worksheet for your car purchase. Don’t forget to include costs for insurance, repairs and maintenance, gas, and annual registration fees.

FIND OUT ABOUT FINANCING.
Senior Badge: Financing My Future

In this badge you explore your future education and get ideas for how to pay for it. Owning a car may be part of this plan, whether you need a car to drive to campus or to a job. While Step 4 details financial aid for education, you can also explore financial options for a car. Go online or talk to a car salesperson about how financing works, what it takes to get a loan, and what it means to buy or lease. For example, how much money should you put down to get a lower interest rate on your car payment loan?

“Goals are dreams with deadlines.”
—Diana Scharf Hunt
ESTABLISH CREDIT.
Ambassador Badge: Good Credit

It’s likely you will need to borrow money to buy your car. To get a loan from a bank or another financial institution you need to have good credit. If you can establish good credit before you buy your car, great. A good time to do this would be at least six months before you start car shopping. But as a teen, you will probably need to have an adult with good credit co-sign for your car. This means if you don’t pay the loan, your co-signer is responsible. For Step 4 talk to a loan officer about how to establish credit for a car loan. Will you still build your credit history if an adult co-signs your loan? If you pay on time, will a co-signed loan boost your personal credit rating?

LEARN TO NEGOTIATE.
Ambassador Badge: On My Own

First research what kind of car you want based on where you live and your lifestyle for Step 1. For instance, do you need a car to drive to work and to after-school activities? Will you need a car if you plan to go to college? Learn how to be prepared for unexpected issues related to car ownership. Step 4: Check with a credible consumer information source, such as the Federal Trade Commission, for tips about negotiating for a new or used car. For example, understand the fine print in car ads. Know what questions to ask a salesperson about discounts, low prices, and special offers. Make sure your agreed-upon terms are on the final contract before you sign.

CAR CARE

You can use your car to help people. For example, you can drive a senior citizen to a doctor’s appointment or help a parent by driving her or his child to school. Or you can volunteer to haul goods for a shelter. Can you think of other ways?

“Remember that credit is money.”
—Benjamin Franklin, American politician and inventor