

# Cruz buys a car

Students experience an interactive adventure and answer questions about the challenges of buying a car.

## Learning goals

### Big idea

Making a big purchase requires time and preparation.

### Essential questions

- What are some things I need to keep in mind when I buy a car?
- How do I compare options before I make a big purchase?

### Objectives

- Understand how to handle sales tactics
- Know how to plan for and research a large purchase

### What students will do

- Complete an online, interactive adventure independently or as a group.
- Answer questions about comparison shopping and buying a car.




#### NOTE

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Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

#### KEY INFORMATION

##### Building block:

-  Executive function
-  Financial habits and norms
-  Financial knowledge and decision-making skills

**Grade level:** High school (11-12)

**Age range:** 16-19

**Topic:** Spend (Budgeting, Buying things), Borrow (Getting loans, Managing credit)

**School subject:** JROTC/ROTC (Servicemembers)

**Teaching strategy:** Blended learning, Cooperative learning, Personalized instruction

**Bloom's Taxonomy level:** Remember, Understand, Apply

**Activity duration:** 75-90 minutes

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#### National Standards for Personal Financial Education, 2021

Spending: 8-2, 8-3, 12-1, 12-2, 12-3, 12-4, 12-8, 12-9

Managing credit: 8-1, 12-2, 12-6, 12-12

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

## ABOUT

# Misadventures in MONEY MANAGEMENT

PRESENTED BY THE CONSUMER FINANCIAL PROTECTION BUREAU

Misadventures in Money Management (MiMM) educates, advises, and trains future and current servicemembers and their families on critical financial decisions and consumer rights. The program is available for use by all of the U.S. Armed Forces. MiMM follows the stories of seven servicemembers, each covering a different financial topic:

- Angela - Debit, credit & credit scores
- Cruz - Car buying tactics
- Dirk - Smart spending
- James - Impulse purchases
- Miya - Budgeting, saving & investing
- Sonya - Emergency relief & researching
- Xavier - Debt advice & student loans

MiMM focuses on some of the unique problems and solutions that servicemembers experience.

## Preparing for this activity

- While it's not necessary, completing the "Deciding which car and car loan you can afford" activity first may make this one more meaningful.
- Print copies of all student materials for each student, or prepare for students to access them electronically.
- Become familiar with the Misadventures in Money Management (MiMM) online graphic novel at <https://mimm.gov/>.
- Review Cruz's MiMM adventure, "Car buying tactics." If time permits, it may be helpful for you to complete his adventure on your own before class.
- Decide if you want students to complete Cruz's MiMM adventure as a whole class, in small groups, or individually.
  - If you choose to complete the adventure as a whole class, obtain a computer with Internet access, a projector or smartboard, and speakers.
  - If you choose for students to complete the adventure in small groups or individually, provide them with computers or tablets with Internet access and with headphones to manage the noise.

### TIP

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If your students have access to computers or tablets with Internet access, they can also complete the adventure as homework. Direct them to <https://mimm.gov/>, where they can complete the entire program, get a certificate of completion, and email their unique certificate to you or print it out. Students can only get a certificate for completing the entire program, not when they finish each character's story.

## What you'll need

### THIS TEACHER GUIDE

- Cruz buys a car (guide)  
[cfpb\\_building\\_block\\_activities\\_MiMM\\_cruz-buys-car\\_guide.pdf](#)
- A computer with Internet access, a projector or smartboard, and speakers (if you choose to complete the online portion as a whole class)

### STUDENT MATERIALS

- Cruz buys a car (worksheet)  
[cfpb\\_building\\_block\\_activities\\_MiMM\\_cruz-buys-car\\_worksheet.pdf](#)
- Computers or tablets with Internet access and headphones (if you choose for students to complete the online portion in small groups or individually)

## Exploring key financial concepts

A car can be one of the biggest purchases you make in your life. With so much “riding” on one decision, it’s important to understand how to prepare and do research for such a large purchase. Researching more than one make or model and comparing features, benefits, and costs can help you better understand your options. Comparison shopping – the practice of comparing prices, features, benefits, risks, and other characteristics of two or more similar products or services – may help you make more informed buying decisions and help you stay within your budget. Comparison shopping is a good practice when you buy anything, but it’s especially useful when you buy something expensive.

Just like the price of a car, you can also negotiate the terms of your auto loan. Negotiating can save you hundreds or even thousands of dollars over the life of your loan. When negotiating for your loan, make sure you keep track of all the factors that affect the total cost. If you’re negotiating the interest rate, make sure that you also know the length of the loan and other terms. Comparing total loan costs will help you keep an eye on these multiple factors. Just as the first price you’re offered for the vehicle may not be the lowest price available to you, the first interest rate the lender or dealer offers you may not be the lowest rate you qualify for.

### TIP

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Because products, terms, and laws related to buying a car change, students should be encouraged to always look for the most up-to-date information.

The more knowledge you have, the less likely you'll be swayed by sales tactics or persuaded to spend more money. Monthly car payments may be with you for many years, so time invested before the purchase could save you a lot of money down the road.

## Teaching this activity

### Whole-class introduction

- Introduce the Misadventures in Money Management (MiMM) program if students aren't familiar with it.
  - MiMM is an online graphic novel in which students make decisions for the characters as they move through the story. CFPB created the program to educate, advise, and train current and future servicemembers on critical financial decisions.
  - The program focuses on some of the unique problems and solutions that servicemembers experience.
- Explain to students that they'll explore the MiMM character of Cruz.
  - Cruz has decided to replace his old car since he has been spending a lot of money on repairs.
- Ask students to share what they know about buying a car.
- Read the "Exploring key financial concepts" section to students.
- Be sure students understand key vocabulary:
  - **Budget:** A plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time; also called a spending plan.
  - **Comparison shopping:** The practice of comparing prices, features, benefits, risks, and other characteristics of two or more similar products or services.
  - **Loan:** Money that needs to be repaid by the borrower, generally with interest.
  - **Needs:** Basic things people must have to survive (such as food, clothing, and shelter), resources they may need to do their jobs (such as reliable transportation and the tools of the trade), and resources to help build and protect their money and property so they can meet future needs (such as emergency savings and insurance).

#### TIP

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Visit CFPB's financial education glossary at [consumerfinance.gov/financial-education-glossary/](https://consumerfinance.gov/financial-education-glossary/).

- **Prepayment penalty:** A fee lenders can charge borrowers if they pay off a loan early.
- **Term:** A fixed or limited period of time for which something lasts or is intended to last (for example, a five-year loan, a three-year certificate of deposit, a one-year insurance policy, a 30-year mortgage).
- **VIN (Vehicle Identification Number):** A unique combination of letters and numbers identifying each specific vehicle.
- **Wants:** Upgrades and other things that would be nice to have but aren't necessary for living, income, or protecting what you have.
- **Warranty:** A manufacturer's warranty is a promise from that company to pay for some repairs or services. A warranty is for a specific period of time, usually a few years.

## Individual or group work

### Completing the online, interactive adventure at <https://mimm.gov/>

- Click "Explore a topic" and then "Car buying tactics" to access Cruz's adventure.
- Students can complete Cruz's adventure as a whole class, in small groups, or individually.
  - If you choose to complete it as a whole class:
    - Use the decision points in Cruz's story to spark discussions and decide as a class what choice to make.
    - Help students build their understanding by clicking on the suggested resources and additional information that come up throughout the adventure.
  - If students work in small groups or individually:
    - Move among the students to check on the decisions they're making and what they're learning from their choices.
    - Encourage students to pause at each decision point and reflect on what happened to Cruz as a result of that choice.
    - Help students build their understanding by encouraging them to click on the suggested resources and additional information that come up throughout the adventure. The suggested resources help students gather additional information to complete each character's final challenge.

## Completing the worksheet

- Distribute the “Cruz buys a car” worksheet.
- Students can work independently, in pairs, or in groups of three or four to complete the “Learning from Cruz’s experience” section of the worksheet.
- Students can complete the “Digging deeper: Comparison shopping” section and reflection questions on their own.

## Wrap-up

- Bring the class back together.
- Ask volunteers to share their answers to the “Learning from Cruz’s experience” and “Digging deeper” sections of the worksheet.
  - Keep in mind that because students can choose their own path through the online adventure, each group or student could have a different experience.
  - Use their answers as a catalyst for a thoughtful discussion.
- Consider asking additional questions to extend the discussion. Possible questions include:
  - Why is it important to focus on the total purchase price instead of a low monthly payment?  
Answers could include:
    - The total purchase price is the amount of money you’ll spend to buy the car, including interest on a car loan. A salesperson may use well-rehearsed tactics to try to persuade you to pay more for your car. Don’t forget that their job is to make a profit. Before you go to a dealership, you should know how much car you can afford and be sure you don’t spend more than that amount.
  - If the salesperson says the car is a good deal, how do you know if they’re correct?  
Answers could include:
    - You can know if they’re correct by doing your research ahead of time. Comparison shopping will let you know exactly what the average price is for that same vehicle at other locations.
- Ask volunteers to share their answers to the reflection questions.

## Suggested next steps

Consider searching for other [CFPB activities](#) that address the topics of spending, including budgeting and buying things, or borrowing, including getting loans and managing credit. Suggested activities include [“Determining how down payments affect loans”](#) and [“Analyzing budgets.”](#)

## Measuring student learning

Students’ answers on their worksheets and during discussion can give you a sense of their understanding.

This answer guide provides possible answers for the “Cruz buys a car” worksheet. **Keep in mind that students’ answers may vary.** The important thing is for students to have reasonable justification for their answers.

### Answer guide

1. Identify three parts of the car-buying process Cruz learned in his story.

**Answers could include:**

- Knowing what you can afford
- Researching car makes, models, and prices
- Understanding monthly payments versus overall cost
- Evaluating loan options
- Negotiating with the salesperson on price
- Being skeptical of the “too-good-to-be-true” offer
- Asking for a vehicle history report
- Checking the details of the sales contract
- Being patient

2. Before buying the car, Cruz decides to get its vehicle history report. What are three pieces of information that he can get from that report?

**Answers could include:**

- Past ownership
- Any liens held on the vehicle
- Vehicle maintenance
- Title history blemishes, which may show damage under previous ownership
- Faulty odometer settings
- Flood damage
- Accident history and if the car was ever totaled
- Car title check
- Whether a vehicle was determined to be a lemon

3. If Cruz decided not to buy the car right away, what are two reasons it may have been a good idea for him to take a day to think about his purchase?

**Answers could include:**

- It gives him time to think about it.
- The car won't suddenly disappear overnight.
- He won't fall for sales tactics that try to pressure him to buy that day.
- He could ask for the paperwork (or "worksheet") to review ahead of time, including the "out-the-door" cost.
- He could take the car to an independent mechanic for an evaluation.
- He could compare the dealer's financing offer to his existing loan offer to see which is the better deal for him.

Digging deeper: Comparison shopping

Answers may vary.

Reflection questions

Answers may vary.