



# Owning vs. Leasing A CAR



Owning vs. leasing a car is a personal decision. There are pros and cons to each. When you buy a car, you have higher monthly costs, but you end up owning it in the end. A lease has lower monthly costs, but you may never stop paying for a vehicle. Here are the major differences between buying and leasing.



## Owning a Car

- 1.** You own the car and get to keep it as long as you want.
- 2.** The up-front costs include the cash price or down payment, taxes, registration, and other fees.
- 3.** Monthly loan payments are usually higher because you're paying off the entire price of the vehicle.
- 4.** You can sell or trade in your vehicle at any time. Money from the sale can be used to pay off any loan balance.
- 5.** At the end of the loan term, you have equity to help pay for your next car.



## Leasing a Car



- 1.** You must return the vehicle at the end of the lease unless you decide to buy it.
- 2.** Up-front costs include first month's payment, a security deposit, an acquisition fee, a down payment, and other fees.
- 3.** Monthly payments are less because you're only paying for the vehicle's depreciation during the lease term.
- 4.** Most leases will limit the amount of miles you can drive. You'll have to pay charges for exceeding your limits.
- 5.** Most leases will hold you responsible for exceeding normal wear and tear.



*After considering these factors...*

Run the numbers for your situation. If you'll be using your car a lot, you may want to lease. That way you don't have to deal with hefty car repairs for an older car. Ultimately, your decision is based on your budget and driving needs.



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