

## [How To Save \\$1000 On Your Next Car](#)

**[0:00:12.0] ST:** Welcome Nation to the Financial Rock Star Show. I'm your host, Scott Alan Turner ready to help you get out of debt, save more money and retire early. In the studio with me is producer Katie who walks her Chihuahua, Myles every day. Not every day. On the show today we'll be answering your questions about money, business and life, if you missed the last show, I shared why it's a bone head idea to get a tax refund. I got to put out some chap stick, hang on a second. All right. Burt's Bee's, love that stuff.

On the show today, how to save money when you negotiate a car. Where to find the best Target coupons. Louie asks about balancing short term savings and long term savings. Nicole wants to save on groceries without clipping coupons. Marco wonders how to live the four hour work week. Dian asks if prepaid college tuition is a good idea. Pat wants to improve efficiency and why schedules are important. Let's roll.

Let's go over the ideal way to buy a car and get the best deal, save the most money with the least amount of hassle, that's what we all want when we get a new ride. And I realize this is a perfect world scenario, not everyone one of us is going to do this. First, you would figure out the total cost you can afford so that you can buy the car in cash. You get rich and accumulate wealth by not taking out car loans and keeping your vehicles until the wheels fall off. Next step, you'd buy a used car. Let someone else take the hit on the depreciation, that 25% loss as soon as you drive it off the lot.

You'd do all your negotiating over the Internet via fax and email, you let auto dealers compete against each other for the best price before you ever even walk in the door. Don't sit in a dealership for three hours haggling when you could be in and out in 45 minutes. I've been in and out for 45 minutes, it can be done. And 3b would be like a third step, if you already have a car ready, sell it on your own on Craigslist or Auto Trader. You'll make about \$500 to a thousand dollars more than what you'd get as a trade in value from the dealer.

So if you do it on your own, a little bit more hassle but you save a lot more money. That's perfect world situation right? Now, what is wrong with that? Nobody does it! Nobody does it, I get that. Even people like me who know what we should do, we still don't do it. Two of my last three cars I bought were new, not used. There's what we should do and then there is reality, this is a reality show all right?

Most of us, we don't want to sell our car on Craigslist or Auto Trader, we don't want the weirdoes showing up on our driveway, we don't want to come home from work at 1 o'clock and then the dude or dudette shows up at 2:15 or they just cancel on you, it's a hassle. We don't want to do that, we don't want to have to negotiate with those people either. We just take the financial hit just to get rid of that car at the dealer. I get it, I've done that.

Now, buying a used car, if you have two identical vehicles, same make, same model, same year, one has zero miles on it and the other has 5,000 miles on it. The used one is going to be thousands of dollars cheaper, or is it? The problem is, trying to find two identical vehicles you can compare just the mileage and price on but they end up having different features, there's different models, they are at different dealers, they have different incentives et cetera, et cetera.

It's nearly — cat's saying hello in the background. It's nearly impossible to compare apples to apples when you're looking at used cars. It's usually apples to lasagna if you try and compare a 2015 to a 2014 or 2014 to a 2013. If you're open to getting a used car, that's two or three years old, you can get a much better deal. No, what if you want a new car? If you plan on driving it for more than five years, yeah, go for it. If it doesn't torpedo your retirement, yeah, go for it.

If you're out of debt, you're paying cash for the car, yeah, go for it. We all make conscious spending decisions on things we know are not going to generate wealth. Flying first class does not generate wealth, eating a \$50 steak does not generate wealth but if those things make you happy and you can afford it, go for it. What's important when it comes to buying a brand new car is looking at the total cost than looking at the opportunity cost of spending more for a new car.

If you ask yourself, "If I save \$5,000 by getting a two or three year old vehicle, what would I do with that extra money? Is there something you would do that you would find greater enjoyment with? Is that money you could have an awesome

vacation with? What if you invested that \$5,000? Boring, what if you invested that \$5,000 for 20 years?" Because that \$5,000 put in the stock market is going to be worth 45 grand in 20 years. That's two or three more cars down the road, just a thought.

Now, negotiation. I've done it over the internet and I've sat in the sales showroom for two hours. The biggest advantage you have in either place is — your legs! You can walk away at any time. You just have to be ready to use them. Stick to your budget and do not cave. We walked out of the showroom, I say we, my wife and mother in law purchased a new car several months ago for mother in law, purchased a new car. We walked out of the show room after being there for two hours because the offer we got was over mother in law's budget.

Now, after walking out, a couple of hours later we got a text from the sales person. Suddenly they're willing to drop the price by another thousand dollars. Well imagine that. Had we agreed to the lowest price they're willing to offer in the showroom, she would have paid a thousand dollars more. We just left and saved a thousand dollars. Here's a story from Teal, she shared with me, had a similar experience.

**[0:06:16.7] T:** "We had to do this when we bought my husband's last car, we drove two hours for a specific vehicle, they wouldn't budge. We got back in the car and left. 10 minutes later we got a call and they budged."

**[0:06:30.1] ST:** You have to be able to walk away. It doesn't mean the dealer's always going to call you back with a better deal but if you have to use your walk away power to buy the car you can afford, you use that power, you use the power of your legs. Another thing is buying in cash. 99% of cars are purchased with financing. If you choose to get financing, I don't recommend it.

Done it in the past, talk about cars a lot on this show but if you choose to get it, get your financing set ahead of time from a local credit union or a small bank. You will get the worst interest rates at the dealership. Even when they have zero percent financing offers. It's not zero percent. The financing is built into the price and you'll end up paying more than if you got your financing ahead of time and negotiate a lower price for the vehicle. Now, on to your questions.

Louie writes:

**[0:07:22.4] L:** "My only concern right now is limiting how much cash I have available for those shorter term goals like purchasing a home and a wedding. How do you handle balancing the short term versus long term goals especially when the upfront cost is so significant for those mentioned goals?"

**[0:07:36.3] ST:** Louie, you had part of the answer in your question, goals. Part of setting a goal is having a target date. Without a target date a goal is meaningless. Let's say you're going to spend \$10,000 on your wedding and you should be so lucky to have a budget that low. The average price for a wedding is much higher. Let's say the wedding date is 12 months away.

Well, with weddings you know you have to pay deposits with the vendors in advance so you're probably going to need that money in 10 months. Some of it even sooner. You'll need to save a thousand dollars a month for the next 10 months to hit that savings goal. If you have that much margin in your finances, awesome, you're set. If you don't, you may have to pause your retirement savings in part or in whole for the 10 months to come up with that if you want to pay for that wedding in cash.

If you have extra money, take that extra and put it towards your house fund. Same thing with a house, how much do you need to save for 20% down payment? If you're looking at a \$200,000 house, you'll need at least \$40,000. Probably closer to 45 when you consider closing cost, moving costs et cetera. With a house, your goal date is a little different because you would determine how long it's going to take you to save the money.

Your goal date comes from how quickly you could save off that amount. Unlike a wedding, that has a hard date because it's printed on the invitations on when that date is. Now, before you start the house savings, I recommend a three to six month

emergency fund before you move into that house so that's even more on top of that. If you spend every dollar on your home like I did in my first home, you have no buffer and no margin. That is not where you want to be. It's a bad place.

You want to move in to the house with peace of mind, not with an empty bank account, worrying if you're going to make your first mortgage payment. It takes as long as it takes to get that down payment. If it's a couple of years, if it's a few years, that's okay. You're going to be much better off following these steps than buying a house before you can afford it. Should you pause your retirement savings to save up for a house, it's a personal decision. I would at least get the company match in a 401(k) because it's free money. After that, it's kind of up to you. Thanks Louie for the question.

Marco says:

**[0:09:49.4] M:** "I'm interested in how you created the Tim Ferriss kind of lifestyle, do you like it?"

**[0:09:53.6] ST:** If you're not familiar with Tim Ferriss, he is the author of the Four Hour Work Week, popular book. It's been on the New York Times bestseller list, it gives a bunch of tips on setting up your business, your schedule, et cetera so that you can work four hours a week and still have an income. Let's look at that. Let's say you own a house, what is one thing that you can outsource to save yourself some time? Mowing the lawn, cleaning the house, pest control, shovelling the snow. If you had kids you could assign them chores to do around the house.

The whole idea and concept is find ways that save you time by having other people do the work for you. For someone who is paid by the hour and you're an employee, the four hour work week isn't realistic. It wouldn't work for a nurse for example. A nurse has to be in the hospital working. What about a doctor? In theory it could, if the doctor owned his own practice and the doctor employed other doctors and didn't see any patients himself or herself or maybe only a day a week. That would be an eight or 12 hour work week, not a four hour but you get the idea.

Does it matter if you have a brick and mortar or if it's an online business? It's possible to structure the business to allow an owner to work less. An online business is easier to automate where a brick and mortar needs a great manager to make that happen. Owning a bunch of rental properties, that's an avenue for working less if you have 10 properties, they're kicking off \$500 in profit each month, that's \$5,000 a month or \$60,000 a year in profit before taxes.

Now, there's work involved in managing the properties but if you wanted more time and slightly less money, you could hire a property manager company to handle collecting rent and fixing leaky sinks. In any case, working less often requires paying someone else to run pieces of the business. A good team is super critical. When I took a year off to practice the guitar, I had a full time customer service rep answering the phones and email for my business.

Katie handled the business account for a couple of hours a day, we had several contractors working for us, a marketing firm handled our advertising. Buying and product deliver were all automated through the website. Many pieces when put together allowed me to free my time and goof off playing guitar.

The key was hiring good people to do the things I didn't want to do or that I wasn't good at. I did make less money but what I got was more time and to me that was more important than saving a few bucks. I like to work, I'm a busy body so I can't sit still very often and I don't classify what I do as work so for me, it's fun. Thanks Marco for the question.

[BREAK]

**[0:12:47.7] ST:** If you're like me, you like to do most if not all of your shopping in a couple of places. I like going to my neighborhood Walmart. I go to Costco, Katie will go to Target occasionally. But I'm not going to travel five miles or make an extra special trip to head down the Walgreen's to save 25 cents on a 24 pack of diet coke. That's crazy, that's not me, it's a waste of my time. Some people do, hey, good for you if you want to go save a quarter. If you're more interested in saving money than time.

For those of us that are stuck in our routines, we like our favorite stores. How can you save a few bucks in that process? One way is by using store coupons. There's a website I'm going to share with you, it's called the passionate penny pincher, that link will be in the show notes and you can use a site like that where they aggregate all their different coupons that you can find at some of these big stores, the Walmarts, the Targets, CVS, Costco, Sam's and will save you a lot of time because they collect all these deals and you don't have to go out all over the Internet spending hours, trying to find all the different Target coupons.

Especially with Target, they distribute coupons in different places on the web but this website will consolidate them all for you and it's a way if you are like me, I can go to these stores pretty consistently. You can use the coupons from that website and it will save you a little dollar, makes your shopping easier because you're still saving money yet you're not having to figure out where all these coupons are.

Great place to find Target promotional codes if you like shopping at Target. Another way to save money at Target, get the red card. 5% off on all of your purchases. Easy way to save money. Now, back to your questions.

Oh, a grocery question. Nicole writes:

**[0:14:42.1] N:** "We're working on getting rid of our credit debt on one of our biggest expenses, buying groceries..."

**[0:14:46] ST:** Go to the site I just mentioned.

**[0:14:49.1] N:** "...for my family of four. Are there some easy ways to save on food without becoming an extreme couponer?"

**[0:14:55.3] ST:** I don't know how this question followed up that segment we just did, but it is.

**[0:14:49.1] N:** "I refuse to spend hours cutting up the Sunday paper."

**[0:15:01.3] ST:** I also refuse to do that. I don't even buy the Sunday paper anymore. Anyway, Nicole. I don't look at coupons, I used a few when I was single because I used to buy the Sunday paper to read it when I had time. Now I have children so I don't have time to read the Sunday paper. But with a few small adjustments you can save some money on your groceries.

Good news is that you're in complete control of how much or how little you actually do in any steps you take can affect your bottom line. Let's start at the supermarket. Many ways to save money on your shopping bill if you put a little effort into it. Like anything else, you should have a game plan before you start because that's going to make a big difference on the outcome. That starts with having a shopping list. Super important.

Write down what you're going to buy before you go and buy it. That way when you're going to the store, what I find is just the extra stuff that's around me just becomes oblivious because I'm looking at the list, and I'm like, "Alright, I am going now to find the bread," even though I'm walking at the candy aisle, I'm ignoring everything because my goal is to get that next thing on the list. The candy is not calling me as I walk the candy aisle and the potato chips are not calling my name as I'm walking to the chip aisle. I'm just ignoring them and going on to the next thing.

You do that, that goes a really long way, that's the number one thing I found in my own life. Store brands will go a long way to saving you money, they're not always the best. Generic Oreos, they're not as good as the real Oreos, they're not. Generic Cheerios, hit or miss, depending on the store brand. My kids don't notice the difference to the generic ones. I usually don't buy it myself.

There's some that are comparable, some are not. Generic Wheat Thins, not good. Not good as the real Wheat Thins. Pick and choose depending on what's important to you, generic butter, sure. You're not going to taste the difference in that one since you throw it in a recipe. Some stores have rewards programs, get those little cards to put on your keychain if you don't mind them tracking your marketing and spending and know what you're buying. I don't, I don't care.

If Tom Thumb knows that I'm buying a can of tomato soup, whatever. It doesn't matter if that information becomes public knowledge. "Hey guess what guys? I buy tomato soup, there you go." Big secret what the marketers have their way with that. Little key cards, rewards cards for different shops, Walmart, of course they don't have any of those. If you buy whole foods, not shopping at Whole Foods but buy whole foods meaning the ingredients to make your stuff, you won't find any coupons for that but it is a great way to save money. Those few tips save you some groceries.

**[0:17:48.0] ST:** Okay, quick break, back in 30 seconds and I'll be answering more of your questions. You're listening to Scott Alan Turner.

[BREAK]

**[0:17:52.0] ST:** Hey Nation, Scott Alan Turner here. Now for those of you that are my long time listeners, you know I'm not one of those guys in the radio who promotes every product that shows up on their desk, you're never going to hear me trying to get you to buy high fructose corn syrup or recommending you buy the DVD collection for Star Trek Deep Space Nine. No. I have a name to uphold to you the Rock Star Nation.

But if I were, if I were to recommend something to you, I would tell you about spoon city. Many of you are sitting there listening to this mindless dribble at home eating a bowl of cereal for breakfast. Hopefully not generic Cheerios. Unless you're like my two year olds using their hands, you're using a spoon so shovel in those chocolate marshmallow sugar roast.

Spoon design has remained unchanged for hundreds of years until now. The fine folks at spoon city have come up with the first ergonomic spoon to take your eating experience and health to a whole new level. Eating with a non-ergonomic spoon can cause side effects such as headaches, nausea, cramping, bloating, lightheadedness, stuffy or runny noses, chest pain and at some rare cases, spontaneous combustion. Head down to your local spoon city, your mouth deserves the best.

[CONTINUED]

**[0:19:03.0] ST:** Welcome back nation. Diana has two kids, aged two and four and want them to go to the same school she and her husband did.

**[0:19:09.0] D:** "Is choosing a prepaid state tuition plan a good choice?"

**[0:19:14.0] ST:** The IRS has a great option under the tax code if you're saving for your kid's education. It's called 529 plan, after the section of the IRS code that it's a part of, called Section 529. 529 plans are tax exempt accounts where your money grows tax free for college expenses. If you have money left over and your child decides to go to grad school, the money can be used for that too.

You can enrol in any state's 529 plan. You're not limited to your home state, now that's good and bad. Many states have 529 plans that are managed by brokerages, you get stuck with high yearly fees, they'll eat into your investments so picking a bad plan can cost you thousands of dollars so you got to do your research when looking to those plans.

Utah has the best 529 plan right now and that's because they invest in Vanguard Brokerage Funds, which are some of the lowest expense funds out there you can find. Now, there's also what you mentioned prepaid tuition plans that allow you to lock in the tuition prices at state schools years down the road. Since every state has their own plan and their own set of rules on how those prepaid plans work — that's a mouthful. Prepaid plans work.

The bottom line with those plans is your money's going to grow faster in a 529 plan and you get a better return. The prepaid tuition is meant to keep pace with inflation, 2-3%, and tuition costs but the rate of return on the stock market is higher than a 529 plan. The other thing about prepaid tuition, you don't know if your kid is going to that school or not. Or even you are going to be in the same state.

People are very mobile nowadays, you can end up moving to a new location for a new job. Maybe your kids want to go to school in another state to study for a specific specialty. Maybe they will grow up and be rock stars and say, "I ain't going to college, I want to go on tour." And so then what? Given the choice, 529 plan is much more flexible, it give you the best choices for your investments and you'll maximize your child's savings. Stay away from prepaid tuition plans, bad investment. Thanks for the question Diana.

Pat writes.

**[0:21:34.4] P:** "I've heard you talking about being efficient with your time, what are some ways to multitask or be more efficient and get more out of the day?"

**[0:21:42.0] ST:** The creation of the assembly line by Henry Ford at his automotive company in 1913, it revolutionized the automobile industry, and concept of manufacturing around the whole world. By breaking down how the cars were assembled, Ford, he had workers specialize in certain aspects of building a car.

And that A, reduced waste from the manufacturing process, it also created a better product. But not only that, because of the efficiency of that assembly line he created, the work day was cut from nine hours to eight hours. That let him create three shifts per day. Three eight hour shifts for 24 hour period. The important part there is that we're getting at is the reduction in time.

Each of us, we have a finite amount of time on the planet. We can't make more time, I can't make more time, you can't make more time. We best use the time we have wisely but before you can even get started being more efficient, you have to change the way you think about time. For me, I loathe, when I say loathe, I mean loathe! I loathe wasting time. I like getting stuff done.

I don't want to sit in traffic, I don't want to be in line at a Walmart. I want to check a box, get it off the list, if it's something I don't enjoy doing like pulling weeds or budgeting, I just want to get it done. I don't want to spend any more time on some of that stuff than I have to. Nobody budgets for fun, let's get that done so we can move on to something else. Because I loathe wasting time, I am constantly asking myself one question.

How can I do this task or this thing faster and get the same or better results? That can be yard work — now it doesn't have to be everything that you hate doing, it can be something that you enjoy doing, you just want to do it a little bit quicker. House work, cooking, home project, work project, learning something new which is fun but how can you do it faster because then you can learn even more?

I'm always asking myself, "How can I do this faster and get the same or better results? How can I be more efficient with the little time we have each day?" Multitasking is a fantastic way to be more efficient. Let's do two unrelated things at the same time to improve some aspect of our life and get more out of the day, accomplish more.

Here are a few tips, some of these are going to be kind of wacky but this is just me. If I'm eating alone, I'll read like for breakfast. Eat, read at the same time. You probably eat and check your smart phone at the same time, a lot of us do. When I cook, and this is huge because we cook a lot, I'm cleaning the dirty pots and pans as I am cooking. If I'm making a meal, when the meal is ready, the kitchen is clean, it's done.

There is no after the meal cleanup other than the kids and the food they've thrown all over the floor. Maybe one or two pots but everything I've used during the cooking process, it's already cleaned. So there's not a lot of clean up. If you exercise, you can listen to a podcast and discover new things, that's a way to multitask. When you watch TV, this is a lot of us and I do this too because I watch TV, your possibility is there are just endless.

Instead of thinking about watching TV and vegetating at night because it's been a long day, I get that, it's been a long day, I have twins, it's a long day. Think about watching TV and doing something else so the TV is on in the background and you



can look up periodically. You'll still get to watch the game, your favorite show, a movie but you can knock something else out too. I talk about budgeting a lot. Budget while you watch TV.

I'll give you an example, there was an AFC championship game on a couple of weeks ago. As you know, football games are three and a half hours long but when you put in, compute the actual play time of the game, what is it? It's like eight minutes worth of action going on. Three and a half hours to watch eight minutes worth of plays and then the rest of the time is commercials, timeouts, people being in the huddle, each play last about four, five seconds. There's not a lot of action. I read an entire book while the championship game was being played because every time the play was over, I look at my book, start reading.

This is another example, laundry, you can do it with a TV on, cooking, scrubbing toilets, doing the honey dew lists. Commercial breaks, they're there for a reason. If you're one of those weirdoes that still has cable, commercial breaks give you three minutes to go and do something. A 60 minute program on TV is only 42 minutes of content, 18 minutes of commercials. So that's 18 minutes, a lot of time that you can do stuff. The average person watches five hours of TV a day. That's a lot of extra time.

When our kids go to bed, I'm usually sitting in front of a TV working on my laptop because I enjoy it or have a guitar in my lap while the TV's on. Learning to play an instrument at the same time. You just have to ask yourself, "How can you change a task to get it done faster and what could you be doing at the same time to get twice as much done?" Like Henry Ford's assembly line workers, you'll probably see an extra hour added to your life each day. Thanks for the question Pat.

[BREAK]

**[0:27:12.3] ST:** When was the last time you were sick and needed to see a doctor? Did you have to pickup the phone to make an appointment, probably you had to get on schedule. Even in those walk in clinics, you have to go in, fill out the forms, get in system, get on the schedule than sit on the weighing room. You didn't lay there at home in bed and moaning, hoping a doctor just walk by through the front door. "I hope someone comes by, takes my temperature. I'm sick."

You might be laying there for a long time if you tried that because people can't hear you from the street. If you just thought somebody would come by and heal you, that's just wishful thinking and if you think about it or you yell about it or you talk about it. It's just that, your hope but if you schedule it, then it becomes a reality. The appointment is set. There is a time, there is a date, there is a location, there one or more people involved. It is real.

The budget meeting is real, the day you get out of debt is real, the first of the month you pick up cash for your envelope system is real. The day you're automated savings get pulled from your account, it's real. The afternoon you take off from work and spend time with the family is real. It you want to make it real, you put it on the schedule. Those are the words.

Can you do me a quick favor please? Take 30 seconds right now and text three of your friends the link Getfr.com. Tell them to check out the show. I really appreciate you listening, I would love it if you help me spread the word. Super simple, just text Getfr.com to them and tell them how awesome my cats are and the advice is okay too.

Next time on the show, the one thing that helps make your dreams a reality. That's it for this episode, I'm your host Scott Alan Turner. Rock star Katie is my producer, all the links mentioned in the show are available in the show notes on Scottalanturner.com. Today's episode was powered by Ben and Jerry's ice cream. Thank you so much for listening. I appreciate you.

**[0:29:05.9] ANNOUNCER:** Okay nation, for your free copy of the guide, "How to save \$1,000 in one week", simply subscribe to the podcast right now on iTunes and text the word "saving" to the number 33444 to prove that you did it. Subscribe now to get out of debt. Save more money and retire early. See you next time.

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