Should I lease or purchase an auto?

Leasing has become a very popular method of acquiring a new auto. Although the payments may seem attractive, it may not always be the best financial decision versus purchasing the vehicle outright and financing it with a low interest loan.

Use the following calculator to help analyze the financial impact of lease versus buy.

Common Assumptions

- Down payment (capital reduction) ($) 5000
- Number of months 36
- Rebate amount ($) 0

Lease Information

- Monthly payment amount ($) 0
- Security deposit/leasing fee ($) 4000

Purchase Information

- Purchase price ($) 35000
- Sales tax rate (%) 8%
- Other upfront costs ($) 0
- Annual percentage rate on loan (%) 8%
- Market value of vehicle at end of loan ($) 0

Submit

Results

Recommendation: LEASE! You’ll save $32,643 in total payments over the term.

<table>
<thead>
<tr>
<th>Cost of Leasing</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total Payments</td>
<td>$0</td>
</tr>
<tr>
<td>Security deposit/leasing fee</td>
<td>+ $4,000</td>
</tr>
</tbody>
</table>

http://www.calcxml.com/calculators/should-i-lease-or-purchase-an-auto?skn=74#calcoutput
Down payment (capital reduction) + $5,000
Rebate - $0
Total cost of lease = $9,000
Average yearly cost of lease $3,000

Cost of Purchasing

Purchase price $35,000
Sales tax + $2,800
Other upfront costs + $0
Interest + $3,843
Rebate - $0
Market value at end of loan term - $0
Total cost of purchasing = $41,643
Average yearly cost of purchasing $13,881

Any rate of return entered into the calculator to project future values should be a reasonable average return for the period. Rates of return will vary over time, and generally the higher the rate of return the higher the degree of risk.

The information provided here is to assist you in planning for your future. The accuracy of this calculator and its applicability to your circumstances is not guaranteed. Any analysis is a result
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