



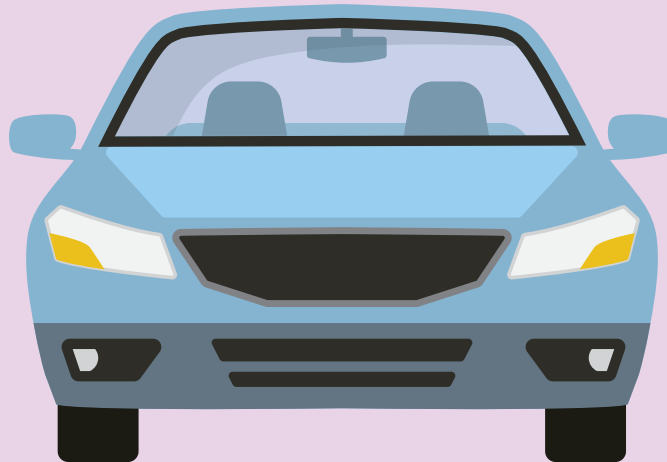
NEGOTIATE

You've found a car you're happy with and now you want to buy it

Remember, dealers don't just make their money on the selling price

Front end

Dealers make money on the front end by selling the car for more than what they paid for it



Back end

Dealers make money on the back end by selling financing, extended warranties and add-ons like rustproofing

Trade-in

If you have a trade-in, dealers make money on the difference between what they pay you for your car and what they get when they sell it

It's time to negotiate

Dealers build about 20% gross margin into the asking price of the used car

Research the price

Find out what the going price is in your area for the type of car you want—check out classified ads in the paper or online to get an idea of prices

Make an offer

Offer 15% below the asking price—tell the salesperson that you know there's about 20% gross margin in the price and that you want him or her to make a profit

Turn down add-ons

If you're buying a used car from a dealer and they try to sell you add-ons, just say no—you can likely find a cheaper source elsewhere

Be prepared to walk away

In any negotiation, be ready to walk away—be flexible in your choice and don't get too attached to one car

