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## Get Used



**My step-son Garrett, Trixie the wonder dog, and Chris Kunz, who put the book together, in front of my used 2015 Lamborghini Huracan. It had 900 miles on it when I purchased it.**

Buy used cars, instead of new cars. I'm a car guy! The challenge is if you are a car guy and you buy new cars, you are either going to buy far fewer Cars in your lifetime or you will be far-less wealthy. I have bought new cars for a wife, my parents twice but never for myself once. The reason is knowledge, i.e., 95% of cars depreciate more than 33% in three years. You do that on three cars and you literally could have had a free car for NOT buying new. This works with Honda Accords, as well as Lamborghini's. For as long as I have been doing well I have had world class cars, but none of them new. Trust me. Whether it's a Porsche or Ferrari very few people really know the model year. I challenge you to look at the next 10 cars you see driving by and accurately tell which ones were bought new versus used. You can't!

That new car smell and rolling out of that dealership might be nice, but 33% depreciation-in-three-years nice? If you took the time to actually do a Financial Statement like I encouraged earlier in the book, you would realize that your car or cars aren't your friends, financially. During Thanksgiving 2013 I bought a 2003 Ferrari 360 convertible with only 3,000 miles for \$95K. Today, it's worth \$95K. It's been a free car! I had Acura NSXs in the mid-90s and early 2000s. The first one I lost roughly \$2,500 a year or \$200 a month in depreciation. The second one was FREE. I had it for five years, sold it for what I bought it for.

The reason I tell these stories isn't to brag; it's to help, I've made my fair share of mistakes in buying cars, but I've saved hundreds of thousands of dollars by buying used versus new. I bet everyone knows someone who has been "upside down" on a car—meaning you owe more than it's worth. What's worse is when that person starts rolling that negative amount into the next car. Now you feel relieved because your payments stayed the same but you went to a seven-year note from a five-year note and now you stuck \$5K-\$10K old debt into the new car and guess what? It's going to depreciate 30% too, but what's worse is that \$5-\$10K chunk is sitting in your loan like eating 64-ounce steak in your stomach at a West Texas Restaurant tourist trap!

Your friend does that a few too many times and then the day of reckoning comes. You either have to drive your current car into the ground or significantly downgrade your ride or what most people do and rob your home equity to pay down or off past car sins. The used car program works for Rolex watches too! I have had six or seven of them through the years. Always used and rarely when you sell or trade out of them do you lose 20% versus losing 50% on a new one.

I just went through security check today at the San Antonio International Airport and the agent that was patting me down said, "Nice Rolex." He didn't say, "Did you lose 50%?" or, "Did you buy it new or used?" ...just, "Nice Rolex." I'm all for having nice things, if that's what you're into; just do it financially smart so you can continue to have nice things forever!