Should you lease or buy a car? Buy, don’t lease. I thought about ending this video right here, but, hey, I've never leased a car. So let's hear from someone who has. Meet my friend Bruno. Bruno composed the music that you hear at the beginning, and the end, and sometimes in the middle of these videos.

Bruno, you originally leased the car that you now own, is that right? Yes. So how’d that work out for you? At the end of the lease, when I decided to buy the car, I figured out it cost me about $3,000 more than if I had just bought the car at the beginning. So not so well. Not so well. Do you have, like, a lot of money? Is it really important to you to drive a new car? If so, leasing might just be for you. But I do have a question, could we talk over here for just a moment?

If you really have so much money that you don't care what you spend on cars, why are you watching my videos? You're welcome to watch, but why? Nobody watching this video should lease a car. Why shouldn't you lease? One, leases are complicated and often contain hidden fees. There's a good chance you're going to end up paying an amount more than you thought the salesperson quoted you.

Two, leases are long term contracts. So if you lose your job, or simply can't handle the monthly payments and decide to return the car, you will have to pay an expensive early termination fee to get out of that contract.

Three, at the end of the lease period you don't own anything. Sure, the monthly lease fees are lower than loan payments, but when the lease is up you own nothing. And chances are you're going to start another lease and keep on paying. But when a car loan is paid you own the car, you keep driving it, no monthly payments. You'll have to pay something in maintenance and repairs, but those are usually far less than the cost of leasing.

Number four, at the end of the lease you return the car to the leasing company. You're going to get charged for any tears, scratches, and dents that the company deems more than ordinary. Of course, when you buy a car it loses value when you scratch it up, but those scratches won't cost you as much as a leasing company is going to charge you.

And number five, if you return a car to the leasing company with more than the annual mile limit, often 12,000 miles a year, you may be charged as much as 20 cents a mile for the extra miles. Drive an extra 2,000 miles a year for three years, that could cost you $1,000. Of course, if you buy and drive a car a lot your used car will be worth less with more miles, but not as much less as the leasing company is going to charge you for extra miles.

So is it OK to lease if you don't have a down payment to buy a car? No, save for a down payment. And while you're at it, buy a cheaper car. So, buy, don't lease. And if you're trying to increase your savings buy a used car, or ride the bus, or ride a bicycle. It's time for me to head on home. So Bruno, could you play us something? Sure.