

Y
OUR
DRIVING
COSTS

1983 EDITION



American Automobile Association
8111 Gatehouse Road
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DRIVING COSTS

How much does it cost to drive?

Here are the national-average per-mile costs for three different cars, as well as the composite national average for all three models:

	MILES PER YEAR	
	15,000	10,000
1983 Chevrolet, Chevette 4-cyl. (98 CID) 4-door hatchback	20.6 cents	27.7 cents
1983 Chevrolet, Malibu 6-cyl. (229 CID) 4-door sedan	25.1 cents	33.4 cents
1983 Chevrolet, Impala 6 cyl. (229 CID) 4-door sedan	25.9 cents	34.5 cents
Composite cost	23.8 cents	31.7 cents

Detailed driving costs can be found on pages 4 and 5.

The AAA study used cars that were equipped with standard accessories, automatic transmissions, power steering, power disc brakes, and radios. Gasoline costs were based on a \$1.297-per-gallon charge for unleaded fuel. The study based insurance figures on personal—as opposed to business—use of the vehicles. The cars were driven less than 10 miles to or from work. There were no youthful drivers. Depreciation costs were based on trade-in value at the end of four years or at 60,000 miles.

The American Automobile Association wishes to acknowledge the assistance of Runzheimer and Company Inc. in preparing the national average automotive costs presented in this booklet.

YOUR EXPENSES

How can you figure your own expenses?

Car-ownership costs fall into two categories: variable and fixed. (See pages 4 and 5.)

Variable costs—gas, oil, maintenance and tires—are directly related to the number of miles you drive.

Fixed costs—insurance, license, registration fees, depreciation and taxes—usually are one-time annual expenditures. Although fixed costs may vary slightly depending on mileage, you will incur them even if your car remains parked in the garage.

The most accurate way to determine your own car-operating costs is to keep personal records.

Gas and oil—Start with a full tank of gasoline. Record the mileage on the odometer. From then on, note the number of gallons it takes to refill the tank, how much you pay, and the odometer reading.

Tank filled	odometer	8 8 5 0
Buy 9.7 gallons.....cost \$12.60.....	odometer	9 0 6 2
Buy 9.9 gallons.....cost \$12.80.....	odometer	9 2 8 0
Buy 8.0 gallons.....cost \$10.40.....	odometer	9 4 5 6
TOTAL: 27.6 gallons	cost \$35.80	miles 9 4 5 6
		- 8 8 5 0
		6 0 6

Miles per gallon: $606 \div 27.6 = 22$

Cost of gas per mile: $\$35.80 \div 606 = 5.9$
cents

Figure your oil consumption the same way. Remember to add the cost of every oil change.

Maintenance and tires—Keep a record of what you spend for tune-ups, other repair items, and tire purchases.

Insurance—Total the premiums of those policies that directly relate to your car's operation—property damage and liability, comprehensive and collision.

License, registration fees, and property or use taxes—Record these as once-a-year costs. Do not include sales or excise taxes paid when the car was bought—they are part of the car's purchase price.

Depreciation—To obtain your annual depreciation cost—the difference in what you pay for your car and what you sell it for—subtract the trade-in value of your car from its purchase price. Then, divide the difference by the number of years that you plan to keep the car.

Finance charge—Note interest charges if you took out a loan to purchase your car.

At the end of the year, total all of your costs. Divide the sum by the number of miles you drove during the year. The following computation sheet may be helpful:

	YEARLY TOTALS
VARIABLE COSTS	
Gas & oil per mile	_____
Number of miles driven.....	_____
Cost per year (multiply miles driven by gas & oil per mile)	_____
Maintenance.....	_____
Tires	_____
TOTAL VARIABLE COSTS	_____
FIXED COSTS	
Depreciation (divide by number of years of ownership)	_____
Insurance	_____
Taxes	_____
License & Registration	_____
Finance Charge	_____
TOTAL FIXED COSTS	_____
OTHER COSTS (Car wash, repairs, accessories, etc.)	_____
TOTAL DRIVING COSTS PER YEAR	_____
COST PER MILE (Divide yearly total by total miles driven)	_____

YOUR DRIVING COSTS

	1983 Chevrolet Chevette 4-cyl. (98 CID) 4-door hatchback	1983 Chevrolet Malibu 6-cyl. (229 CID) 4-door sedan	1983 Chevrolet Impala 6-cyl. (229 CID) 4-door sedan	Average Cost
Details of Car Costs				
VARIABLE COSTS				
	COST PER MILE	COST PER MILE	COST PER MILE	COST PER MILE
Gasoline and oil.....	5.14 cents	6.64 cents	6.98 cents	6.13 cents
Maintenance.....	.87 cents	1.04 cents	1.04 cents	.98 cents
Tires.....	.61 cents	.68 cents	.77 cents	.69 cents
	6.62 cents	8.36 cents	8.79 cents	7.80 cents
FIXED COSTS				
	COST PER YEAR	COST PER YEAR	COST PER YEAR	COST PER YEAR
Comprehensive insurance (\$100 ded.).....	\$ 58.00	\$ 80.00	\$ 63.00	\$ 67.00
Collision insurance (\$250 ded.).....	169.00	201.00	174.00	181.00
Property damage and liability (\$100/300/50M)..	222.00	222.00	222.00	222.00
License, registration, taxes.....	85.00	102.00	105.00	97.00
Depreciation.....	1,121.00	1,343.00	1,432.00	1,298.00
Finance charge (20% down; loan@ 15%/4 yrs.).....	450.00	558.00	578.00	529.00
	\$2,105.00 (or \$5.77 per day)	\$2,506.00 (or \$6.87 per day)	\$2,574.00 (or \$7.05 per day)	\$2,394.00 (or \$6.56 per day)
ADD-ONS				
Air conditioning.....	.20 cents per mile and 36 cents per day	.30 cents per mile and 38 cents per day	.30 cents per mile and 39 cents per day	.25 cents per mile and 38 cents per day
Depreciation for excess mileage per 1,000 miles over 15,000 miles annually.....	\$51.00	\$67.00	\$69.00	\$62.00

Cost Per Mile

Based on the above figures, the motorist driving 15,000 miles a year would pay:

15,000 miles.....	@ 6.62¢	\$ 993.00	@ 8.36¢	\$1,254.00	@ 8.79¢	\$1,319.00	@ 7.80¢	\$1,170.00
365 days.....	@ \$5.77	2,105.00	@ \$6.87	2,506.00	@ \$7.05	2,574.00	@ \$6.56	2,394.00
		\$3,098.00		\$3,760.00		\$3,893.00		\$3,564.00

Cost per mile..... 20.6 cents 25.1 cents 25.9 cents 23.8 cents

The same person driving 10,000 miles a year would pay:

10,000 miles.....	@ 6.62¢	\$ 662.00	@ 8.36¢	\$ 836.00	@ 8.79¢	\$ 879.00	@ 7.80¢	\$ 780.00
365 days.....	@ \$5.77	2,105.00	@ \$6.87	2,506.00	@ \$7.05	2,574.00	@ \$6.56	2,394.00
		\$2,767.00		\$3,342.00		\$3,453.00		\$3,174.00

Cost per mile..... 27.7 cents 33.4 cents 34.5 cents 31.7 cents

The same person driving 5,000 miles a year would pay:

5,000 miles.....	@ 6.62¢	\$ 331.00	@ 8.36¢	\$ 418.00	@ 8.79¢	\$ 440.00	@ 7.80¢	\$ 390.00
365 days.....	@ \$5.77	2,105.00	@ \$6.87	2,506.00	@ \$7.05	2,574.00	@ \$6.56	2,394.00
		\$2,436.00		\$2,924.00		\$3,014.00		\$2,784.00

Cost per mile..... 48.7 cents 58.5 cents 60.3 cents 55.7 cents

The same person driving 20,000 miles a year would pay:

20,000 miles.....	@ 6.62¢	\$1,324.00	@ 8.36¢	\$1,672.00	@ 8.79¢	\$1,758.00	@ 7.80¢	\$1,560.00
365 days.....	@ \$5.77	2,105.00	@ \$6.87	2,506.00	@ \$7.05	2,574.00	@ \$6.56	2,394.00
Added depreciation per 1,000 over 15,000 miles.....	@ \$51	255.00	@ \$67	335.00	@ \$69	345.00	@ \$62	310.00
		\$3,684.00		\$4,513.00		\$4,677.00		\$4,264.00

Cost per mile..... 18.4 cents 22.6 cents 23.4 cents 21.3 cents

VACATION PLANNING

Planning a vacation by car? Trying to budget for expenses?

The following figures should be helpful:

Two people should plan on spending \$50 a day for meals, \$51 a day for lodging, and \$7 per 100 miles for such things as gas and oil based on an average of 22 miles per gallon.

If you are traveling with children, add \$10 or more per child to your daily budget for meals. Many establishments have family plans—adding a small charge for a third or fourth occupant in a room. The family-plan rate, usually about \$5 daily per person, may be less if your children are under a certain age specified by the management.

Your meal and lodging budget may vary considerably. Costs may run 25 percent lower than average in small towns, and 75 percent higher in large metropolitan areas.

Plan on spending money for admission fees, amusements, recreation and shopping. Be prepared for road and bridge tolls, and always carry a reserve for emergencies.

You can get more from your vacation dollars by stopping early in the day when you have a choice in lodgings, eating at roadside rest and picnic areas, bypassing tourist traps, avoiding toll roads when alternate routes are possible, and not traveling during peak travel seasons. Your AAA travel counselor should have other money-saving ideas.

BUSINESS TRAVEL

What about business travel?

Many firms provide cars to their full-time business travelers. Yet growing numbers are letting employees use their own cars for company business.

Companies use two primary methods to compute an employee's car allowance.

Flat Mileage Allowance—Many companies give a flat allowance per mile, plus allowances for other charges such as tolls and parking. The system is simple. It involves a minimum of bookkeeping and office control. It can result in overpayment or underpayment compared to actual costs, however.

Weekly Allowances—Some companies give a flat dollar allowance per week or per month. Unfortunately, this allowance can be applied only to cars operating constantly on company business. At best, this system can result in overpayment or underpayment compared to actual costs.

The per-mile rates listed in this pamphlet represent the national average of owning and operating a car for a year. Inasmuch as an employee who uses his own car for company business also uses his car for personal driving, reimbursement usually does not amount to 100 percent of the total cost.

AAA

A federation of motor clubs, the American Automobile Association serves more than 23 million members in the United States and Canada through a network of 1,000 club offices and branches.

Founded in 1902, AAA is a nonprofit, tax-paying corporation. Its purpose is twofold: to provide members with a full range of auto- and travel-related services, and to further the interests of motorists and travelers through legislative and educational activities.

AAA has published "Your Driving Costs" since 1950. That year, driving a car 10,000 miles a year cost 9 cents a mile, and gasoline sold for 27 cents a gallon. Driving costs changed little during the '50s. By 1961, costs only had increased to 12 cents a mile. Fuel had risen to 31 cents a gallon. Today, driving costs, particularly fuel costs, may vary widely from year to year.

RUNZHEIMER AND COMPANY INC.

Runzheimer and Company Inc. is an international management consulting firm that specializes in travel and living costs.

Founded in 1933, the firm serves more than 2,000 businesses and government agencies worldwide. Its Runzheimer Plan of Automobile Standard Costs forms the basis for the reimbursement of car expenses to 260,000 client employees.

Organizations that operate fleets of 10 or more cars should contact Runzheimer and Company directly to learn about the greater accuracy of individual schedules. Firms with less than 10 cars may find the national averages in the cost charts helpful.

Runzheimer and Company Inc. is located at Runzheimer Park, Rochester, Wis. 53167. The telephone number is: (414) 534-3121 or (800) 558-1702

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