


YOUR DRIVING COSTS



American Automobile Association
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How much does it cost to drive? Here are the national average per-mile costs and the composite national average for three different cars:

	Miles Per Year		
	10,000	15,000	20,000
1995 Ford Escort LX 4-cyl. (1.9 liter) 4-door hatchback	42.6 cents	36.3 cents	32.7 cents
1995 Ford Taurus GL 6-cyl. (3 liter) 4-door sedan	48.9 cents	41.7 cents	37.5 cents
1995 Chevrolet Caprice Classic 8-cyl. (4.3 liter) 4-door sedan	60.5 cents	45.8 cents	41.0 cents
Composite cost	50.6 cents	41.2 cents	37.0 cents

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

AAA's analysis covers vehicles equipped with standard and optional accessories including automatic transmission, air conditioning, power steering, power disc brakes, AM/FM stereo, driver-side air bag, anti-lock brakes, cruise control, tilt steering wheel, tinted glass and rear-window defogger.

Fuel costs were based on an average price of \$1.22 per gallon of regular unleaded gasoline, weighted 20 percent full-serve and 80 percent self-serve.

Insurance figures were based on personal use of vehicles driven less than 10 miles to or from work, with no young drivers.

Normal depreciation costs were based on the vehicle's trade-in value at the end of four years or at 60,000 miles. For vehicles driven 10,000 miles per year, depreciation was based on six years or 60,000 miles.

The American Automobile Association acknowledges Runzheimer International for help in preparing the automotive costs presented in this booklet.

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Driving costs for a 1995 Ford Ranger XL pickup truck and a 1995 Dodge Caravan SE are listed on Page 6. Costs for these two vehicles are not part of the composite national average. They are included as information to help car buyers estimate operating costs for these two vehicles only.

Your Expenses

How can you figure your own expenses?

Vehicle costs fall into two categories: operating and ownership. (See pages 4-6.)

OPERATING COSTS — Gas, oil, maintenance and tire expenditures are operating costs related to the number of miles you drive.

OWNERSHIP COSTS — Taxes, depreciation, finance charges, registration, insurance and license fees are ownership costs. These costs are incurred even if you keep your vehicle parked in the garage.

To accurately determine vehicle costs, keep personal records.

GAS AND OIL — Begin with a full tank of gasoline. Record the mileage on the odometer. Each time you buy gasoline, note the number of gallons, how much you pay and the odometer reading.

Tank filled.....	odometer 8850
Buy 9.3 gallons..... cost \$11.35.....	odometer 9062
Buy 9.5 gallons..... cost \$11.59.....	odometer 9280
Buy 7.6 gallons..... cost \$ 9.27.....	odometer 9456
Total: 26.4 gallons.. cost \$32.21.....	miles 9456
	-8850
	606
Miles per gallon: $606 \div 26.4 = 23$ mpg	
Cost of gas per mile: $\$32.21 \div 606 = 5.3$ cents	

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

MAINTENANCE AND TIRES — Jot down what you spend for tune-ups, repairs and tires.

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

LICENSE, REGISTRATION FEES AND PROPERTY OR USE TAXES — Record these as once-a-year costs. Don't include sales or excise taxes paid — they are part of the vehicle's purchase price.

DEPRECIATION — To calculate depreciation — the difference between what you pay for your vehicle and what you sell it for — subtract the projected trade-in value from its purchase price. Divide the difference by the number of years you plan to keep the vehicle.

FINANCE CHARGE — Note interest charges if you borrowed money to buy the vehicle. At the end of the year, total all costs. Divide by the number of miles you drove during the year. The following computation sheet may be helpful:

OPERATING COSTS	YEARLY TOTALS
Gas and oil per mile	<input type="text"/>
Number of miles driven	<input type="text"/>
Cost per year (multiply miles driven by gas and oil per mile)	<input type="text"/>
Maintenance	<input type="text"/>
Tires	<input type="text"/>
TOTAL OPERATING COSTS	<input type="text"/>
OWNERSHIP COSTS	
Depreciation (divide by number of years of vehicle ownership)	<input type="text"/>
Insurance	<input type="text"/>
Taxes	<input type="text"/>
License and registration	<input type="text"/>
Finance charge	<input type="text"/>
TOTAL OWNERSHIP COSTS	<input type="text"/>
OTHER COSTS	
(washes, repairs and accessories)	<input type="text"/>
TOTAL DRIVING COSTS PER YEAR	<input type="text"/>
COST PER MILE (divide total costs by total miles driven)	<input type="text"/>

Your Driving Costs



4-year/60,000-mile cycle	1995 Ford Escort LX 4-cyl. (1.9 liter) 4-door hatchback	1995 Ford Taurus GL 6-cyl. (3 liter) 4-door sedan	1995 Chevrolet Caprice 8-cyl. (4.3 liter) 4-door sedan	Average cost
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DETAILS OF CAR COSTS

OPERATING COSTS	COST PER MILE	COST PER MILE	COST PER MILE	COST PER MILE
Gasoline and Oil	4.8 cents	6.0 cents	6.6 cents	5.8 cents
Maintenance	2.4 cents	2.6 cents	2.8 cents	2.6 cents
Tires	0.9 cents	1.4 cents	1.4 cents	1.2 cents
	8.1 cents	10.0 cents	10.8 cents	9.6 cents

OWNERSHIP COSTS	COST PER YEAR	COST PER YEAR	COST PER YEAR	COST PER YEAR
Comprehensive insurance (\$250 deductible)	\$161	\$95	\$108	\$121
Collision insurance (\$500 deductible)	304	211	241	252
Bodily injury and property damage (\$100,000, \$300,000, \$50,000)	410	410	410	410
License, registration, taxes	169	211	228	203
Depreciation	2,636	3,099	3,484	3,073
Finance charge (20% down; loan @ 9.0%/4 yrs.)	545	729	783	686
	\$4,225	\$4,755	\$5,254	\$4,745
	(or \$11.57 per day)	(or \$13.03 per day)	(or \$14.40 per day)	(or \$13.00 per day)
Depreciation for excess mileage per 1,000 miles over 15,000 miles annually	\$139	\$148	\$156	\$148

COST PER MILE

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

15,000 miles	@8.1¢	\$1,215	@10.0¢	\$1,500	@10.8¢	\$1,620	@9.6¢	\$1,440
*365 days	@\$11.57	4,225	@\$13.03	4,755	@\$14.40	5,254	@\$13.00	4,745
		\$5,440		\$6,255		\$6,874		\$6,185
COST PER MILE	36.3 cents		41.7 cents		45.8 cents		41.2 cents	

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

20,000 miles	@8.1¢	\$1,620	@10.0¢	\$2,000	@10.8¢	\$2,160	@9.6¢	\$1,920
*365 days	@\$11.57	4,225	@\$13.03	4,755	@\$14.40	5,254	@\$13.00	4,745
Added depreciation per 1,000 miles over 15,000 miles	@\$139	695	@\$148	740	@\$156	780	@\$148	740
		\$6,540		\$7,495		\$8,194		\$7,405
COST PER MILE	32.7 cents		37.5 cents		41.0 cents		37.0 cents	

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

10,000 miles	@8.1¢	\$810	@10.0¢	\$1,000	@10.8¢	\$1,080	@9.6¢	\$960
**365	@\$9.44	3,447	@\$10.66	3,891	@\$13.61	4,969	@\$11.24	4,102
		\$4,257		\$4,891		\$6,049		\$5,062
COST PER MILE	42.6 cents		48.9 cents		60.5 cents		50.6 cents	

*Ownership costs based on a 4-year/60,000-mile retention cycle **Ownership costs based on a 6-year/60,000-mile retention cycle

	★1995	★1995
	Ford Ranger	Dodge Caravan SE
	4-cyl. (2.3 liter)	6-cyl. (3.0 liter)
4-year/60,000-mile cycle	XL pickup	passenger van

DETAILS OF VEHICLE COSTS

OPERATING COSTS	COST PER MILE	COST PER MILE
Gasoline and Oil	5.7 cents	6.2 cents
Maintenance	2.6 cents	2.7 cents
Tires	1.3 cents	1.3 cents
	9.6 cents	10.2 cents

OWNERSHIP COSTS	COST PER YEAR	COST PER YEAR
Comprehensive insurance (\$250 deductible)	\$116	\$92
Collision insurance (\$500 deductible)	271	210
Bodily injury and property damage (\$100,000, \$300,000, \$50,000)	410	410
License, registration, taxes	225	328
Depreciation	2,531	3,183
Finance charge (20% down; loan @ 9.0%/4 yrs.)	530	812
	4,083	5,035
	(or \$11.19 per day)	(or \$13.79 per day)
Depreciation for excess mileage per 1,000 miles over 15,000 miles annually..	\$141	\$140

COST PER MILE

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

15,000 miles	@9.6¢	\$1,440	.....@10.2¢	\$1,530
*365 days	@\$11.19	4,083	.....@\$13.79	5,035
		\$5,523		\$6,565

COST PER MILE 36.8 cents 43.8 cents

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

20,000 miles	@9.6¢	\$1,920	.....@10.2¢	\$2,040
*365 days	@\$11.19	4,083	.....@\$13.79	5,035
Added depreciation per 1,000 miles over 15,000 miles	@\$141	705	.....@\$140	700
		\$6,708		\$7,775

COST PER MILE 33.5 cents 38.9 cents

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

10,000 miles	@9.6¢	\$960	.....@10.2¢	1,020
**365 days	@\$8.96	3,269	.....@\$11.20	4,087
		4,229		5,107

COST PER MILE 42.3 cents 51.1 cents

*Ownership costs based on a 4-year/60,000-mile retention cycle

**Ownership costs based on a 6-year/60,000-mile retention cycle

★ Costs for pickup truck and passenger van are not part of the composite national average. They are included as information to help buyers estimate operating costs for these two vehicles.

Vacation Planning



Realistic budgeting can make the difference between a great vacation and one cut short for lack of funds.

AAA's suggested budget for a family of four — two adults and two children — is \$193 per day for lodging and meals, plus \$9.60 per 100 miles for gas, oil, tires and maintenance with the car averaging 21 miles per gallon.

The average cost for lodging is \$91 a night, based on rates charged by approved accommodations listed in *AAA TourBook*® guides. This rate includes \$6 nightly per child. However, if children are within an age limit set by management — usually up to 14 — there may not be an extra charge.

Vacation spending depends on a family's preferences and means, but costs vary by area. Higher rates can be expected in large metropolitan areas and at resorts in season.

To save on lodging, it's best to make reservations. If that is not possible, plan to arrive early to have a wider selection of accommodations at a price you want to pay without sacrificing quality.

AAA suggests that a family plan to spend \$102 a day for meals, not including tips and cocktails.

Meal costs can be reduced by having the main meal at midday, to take advantage of lower lunch prices at restaurants. An increasing number of restaurants offer children's menus and "early bird" dinner specials at reduced prices. Eating at fast-food restaurants and picnicking also offer savings.

In addition to lodging, food and driving costs, a family should budget for amusements, admission fees, road and bridge tolls, recreation and shopping. If you do not carry credit cards, include an emergency fund in your vacation budget. For added security, you may wish to carry travelers cheques.



What about business travel?

Although some firms continue to provide vehicles to full-time business travelers, a growing number let employees use personally owned vehicles for company business.

Companies use three primary methods to reimburse employees for the business use of their personal vehicles.

FLAT MILEAGE ALLOWANCE — Many companies give a flat allowance per mile, plus allowances for such charges as tolls and parking. The system involves a minimum of bookkeeping and office control, but it can result in overpayment or underpayment when compared to actual driving costs.

FIXED PERIODIC REIMBURSEMENT — Some companies give a flat dollar reimbursement per day, week or month to cover business use of a personal vehicle. This, too, may result in overpayment or underpayment when compared to actual driving costs.

FIXED PERIODIC AND A FLAT MILEAGE RATE — Many companies realize that some automobile costs relate to miles driven (fuel, oil, tires and maintenance), and some relate to time (insurance, taxes, interest and depreciation). These companies provide a periodic fixed rate to cover time-related factors and a per-mile rate to cover business miles reported.

The per-mile rates listed in this pamphlet represent the national average of owning and operating a vehicle for a year. Because employees who use their own vehicles for company business also use their vehicles for personal driving, reimbursement should not amount to 100 percent of the total costs.



The American Automobile Association is a federation of motor clubs serving 37 million members in the United States and Canada through more than 1,000 offices.

Founded in 1902, AAA is a not-for-profit, fully tax-paying corporation. Its purpose is two-fold: to give members a full range of auto and travel-related services, and to promote 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 per gallon.

AAA's National Office is located at 1000 AAA Drive, Heathrow, FL 32746-5063; telephone: (407) 444-7000. Local AAA clubs are listed in telephone directories under "AAA."



Runzheimer International is a 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. The 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 vehicles can contact Runzheimer directly to learn about individual schedules. Firms with less than 10 vehicles may find the national averages in the cost charts helpful.

Runzheimer International is located at Runzheimer Park, Rochester, WI 53167; telephone: (800) 558-1702.