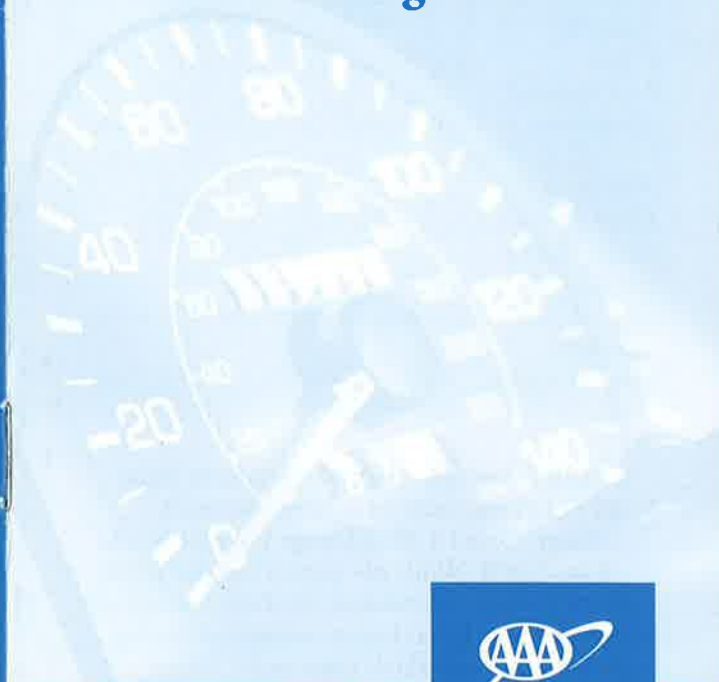




Your Driving Costs 2003



AAA Association Communication
1000 AAA Drive
Heathrow, FL 32746-5063
www.aaa.com

AAA acknowledges Runzheimer International
for help in preparing the automotive costs
presented in this booklet.

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How Much Does it Cost to Drive?

Following are national average per-mile costs and the composite national average for three different cars:

National Average Costs Per Mile

| | miles per year | | |
|---|-------------------|-------------------|-------------------|
| | 10,000 | 15,000 | 20,000 |
| 2003 Chevrolet Cavalier LS 4-cyl. (2.2-liter) 4-door sedan | 55.3 cents | 44.5 cents | 40.3 cents |
| 2003 Ford Taurus SEL Deluxe 6-cyl. (3.0-liter) 4-door sedan | 62.1 cents | 51.2 cents | 46.3 cents |
| 2003 Mercury Grand Marquis LS 8-cyl. (4.6-liter) 4-door sedan | 75.2 cents | 59.4 cents | 53.1 cents |
| composite national average | 64.2 cents | 51.7 cents | 46.6 cents |

Detailed driving costs can be found on pages 6 and 7. Driving costs for a 2003 Chevrolet TrailBlazer LS and a 2003 Dodge Caravan SE are listed on Page 8. While not part of the composite national average, information on these two vehicles is included to help car buyers estimate operating costs for these two vehicle types only.



What's Covered

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- and passenger-side air bags, antilock brakes, cruise control, tilt steering wheel, tinted glass, emission equipment and rear-window defogger.

All figures reflect the average cost of operating a vehicle primarily under stop-and-go driving conditions.

Fuel costs are based on a fourth quarter 2002 average price of \$1.461 per gallon of regular unleaded gasoline, weighted 20 percent full-serve and 80 percent self-serve.

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

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

Figuring Your Costs

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 regardless of how often you drive your vehicle.

Keeping Track

To determine vehicle costs accurately, keep personal records on the following:

Gas and oil. Begin with a full tank of gasoline and write down the current odometer reading. Each time you buy gasoline, note the number of gallons, how much you pay and the odometer reading. These figures can then be used to calculate average miles per gallon and cost of gas per mile, as follows:

Gas Cost Per Mile

| gallons | cost | odometer |
|-------------|----------------|--------------------------------|
| beginning | | 8,850 |
| 9.3 | \$13.59 | 9,062 |
| 9.5 | \$13.88 | 9,280 |
| 7.6 | \$11.10 | 9,456 |
| 26.4 | \$38.57 | 9,456 - 8,850 |

miles driven = 606

miles per gallon: $606 \div 26.4 = 23$ mpg

gas cost per mile: $\$38.57 \div 606 = 6.4$ 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 routine maintenance, 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 charges. Note interest charges if you borrowed money to buy the vehicle.

Annual Cost Per Mile

| costs | yearly totals |
|---|------------------|
| operating costs | |
| gas and oil per mile | _____ |
| total miles driven | x _____ |
| total gas and oil | = _____ |
| maintenance | + _____ |
| tires | + _____ |
| total operating costs | + = _____ |
| ownership costs | |
| depreciation | _____ |
| insurance | + _____ |
| taxes | + _____ |
| license and registration | + _____ |
| finance charges | + _____ |
| total ownership costs | + = _____ |
| other costs (washes, accessories, etc.) | + = _____ |
| total driving costs | = _____ |
| total miles driven | ÷ _____ |
| cost per mile | = _____ |

Driving Costs

2003 Chevrolet
Cavalier LS
4-cyl. (2.2-liter)
4-door sedan

2003 Ford
Taurus SEL Deluxe
6-cyl. (3.0-liter)
4-door sedan

2003 Mercury
Grand Marquis LS
8-cyl. (4.6-liter)
4-door sedan

Average

| Operating Costs | per mile | per mile | per mile | per mile |
|---|-------------------|-------------------|-------------------|-------------------|
| gas and oil | 6.1 cents | 7.1 cents | 8.3 cents | 7.2 cents |
| maintenance | 3.9 cents | 4.1 cents | 4.3 cents | 4.1 cents |
| tires | 1.5 cents | 1.8 cents | 2.2 cents | 1.8 cents |
| cost per mile | 11.5 cents | 13.0 cents | 14.8 cents | 13.1 cents |
| Ownership Costs | per year | per year | per year | per year |
| comprehensive insurance (\$250 deductible) | \$238 | \$191 | \$180 | \$203 |
| collision insurance (\$500 deductible) | \$445 | \$386 | \$372 | \$401 |
| bodily injury and property damage (\$100,000, \$300,000, \$50,000) | \$498 | \$498 | \$498 | \$498 |
| license, registration, taxes | \$167 | \$206 | \$242 | \$205 |
| depreciation (15,000 miles annually) | \$3,051 | \$3,693 | \$4,470 | \$3,738 |
| finance charge (20% down; loan @ 7.5%/4 yrs.) | \$554 | \$751 | \$927 | \$744 |
| cost per year | \$4,953 | \$5,725 | \$6,689 | \$5,789 |
| cost per day | \$13.57 | \$15.68 | \$18.33 | \$15.86 |
| added depreciation costs (per 1,000 miles over 15,000 miles annually) | \$161 | \$188 | \$195 | \$181 |

Total Cost Per Mile

| | | | | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| 15,000 total miles per year | per year | per year | per year | per year |
| cost per mile x 15,000 miles | \$1,725 | \$1,950 | \$2,220 | \$1,965 |
| cost per day x 365 days *** | \$4,953 | \$5,723 | \$6,690 | \$5,789 |
| total cost per year | \$6,678 | \$7,673 | \$8,910 | \$7,754 |
| total cost per mile * | 44.5 cents | 51.2 cents | 59.4 cents | 51.7 cents |
| 20,000 total miles per year | per year | per year | per year | per year |
| cost per mile x 20,000 miles | \$2,300 | \$2,600 | \$2,960 | \$2,620 |
| cost per day x 365 days *** | \$4,953 | \$5,723 | \$6,690 | \$5,789 |
| depreciation cost x 5 ** | \$805 | \$940 | \$975 | \$905 |
| total cost per year | \$8,058 | \$9,263 | \$10,625 | \$9,314 |
| total cost per mile * | 40.3 cents | 46.3 cents | 53.1 cents | 46.6 cents |
| 10,000 total miles per year | per year | per year | per year | per year |
| cost per mile x 10,000 miles | \$1,080 | \$1,220 | \$1,390 | \$1,230 |
| cost per day x 365 days **** | \$4,449 | \$4,993 | \$6,132 | \$5,190 |
| total cost per year | \$5,529 | \$6,213 | \$7,522 | \$6,420 |
| total cost per mile * | 55.3 cents | 62.1 cents | 75.2 cents | 64.2 cents |

* total cost per year ÷ total miles per year
** excess mileage over 15,000 miles annually (in thousands)

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

| | 2003 Chevrolet TrailBlazer LS 6-cyl. (4.3-liter) 2WD 4-door sport utility | 2003 Dodge Caravan SE 6-cyl. (3.0-liter) passenger van |
|---|--|---|
| Operating Costs | per mile | per mile |
| gas and oil | 7.9 cents | 7.1 cents |
| maintenance | 4.1 cents | 3.9 cents |
| tires | 1.5 cents | 1.6 cents |
| cost per mile | 13.5 cents | 12.6 cents |
| Ownership Costs | per year | per year |
| comprehensive insurance (\$250 deductible) | \$159 | \$130 |
| collision insurance (\$500 deductible) | \$402 | \$354 |
| bodily injury and property damage (\$100,000, \$300,000, \$50,000) | \$389 | \$389 |
| license, registration, taxes | \$289 | \$259 |
| depreciation (15,000 miles annually) | \$4,286 | \$3,772 |
| finance charge (20% down; loan @ 7.5%/4 yrs.) | \$867 | \$755 |
| cost per year | \$6,392 | \$5,659 |
| cost per day | \$17.51 | \$15.50 |
| added depreciation costs (per 1,000 miles over 15,000 miles annually) | \$173 | \$171 |

Total Cost Per Mile

| | per year | per year |
|------------------------------|-------------------|-------------------|
| 15,000 miles a year | | |
| cost per mile x 15,000 miles | \$2,025 | \$1,890 |
| cost per day x 365 days *** | \$6,391 | \$5,658 |
| total cost per year | \$8,416 | \$7,548 |
| total cost per mile * | 56.1 cents | 50.3 cents |
| 20,000 miles a year | | |
| cost per mile x 20,000 miles | \$2,700 | \$2,520 |
| cost per day x 365 days *** | \$6,391 | \$5,658 |
| depreciation cost x 5 ** | \$865 | \$855 |
| total cost per year | \$9,956 | \$9,033 |
| total cost per mile * | 49.8 cents | 45.2 cents |
| 10,000 miles a year | | |
| cost per mile x 10,000 miles | \$1,350 | \$1,260 |
| cost per day x 365 days **** | \$5,194 | \$4,709 |
| total cost per year | \$6,544 | \$5,969 |
| total cost per mile * | 65.4 cents | 59.7 cents |

* ** *** **** see pages 6 and 7

Vacation Planning

AAA's suggested budget for a family of four — two adults and two children — is at least \$244 per day for lodging and meals, plus \$13.10 per 100 miles for gas, oil, tires and maintenance with the car averaging 23 miles per gallon.

Lodging

The average cost for lodging is \$132 per night, based on rates charged by approved accommodations listed in AAA TourBook® guides. This rate includes an extra-person charge for children. 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 also vary by area. Expect higher lodging rates in large metropolitan areas and at resorts in season.

To save on lodging, it's best to make advance reservations. If that's not possible, plan to arrive early for a wider selection of accommodations.

Meals

For a family of four, AAA suggests budgeting at least \$112 a day for meals, not including tips or beverages.

Meal costs can be reduced by eating the main meal at midday to take advantage of lower lunch prices at restaurants. Many restaurants offer children's menus and "early bird" dinner specials at reduced prices.

Additional Costs

In addition to lodging, food and driving costs, you should budget for admission fees, road and bridge tolls, recreation and shopping. If you don't carry credit cards, include an emergency fund in your vacation budget. For added security, AAA suggests carrying travelers cheques. AAA members can obtain fee-free travelers cheques and other types of travel money such as prepaid VISA gift cards through any AAA office.

Business Travel

Although some firms continue to provide vehicles to full-time business travelers, a growing number of employees use their own vehicles for company business.

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

Getting Reimbursed

Flat mileage allowance. Many companies provide a flat allowance per mile, plus allowances for charges such as tolls and parking. This system minimizes bookkeeping but can result in overpayment or underpayment when compared to actual driving costs.

Fixed periodic reimbursement. Some companies provide 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.

Combined fixed and mileage rate. Many companies realize that some automobile costs relate to miles driven (fuel, oil, tires and maintenance) and some to ownership (insurance, taxes, interest and depreciation). These companies provide a periodic fixed rate to cover ownership costs 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.

Sources

AAA

AAA is a federation of motor clubs serving 46 million members in the United States and Canada through more than 1,100 offices.

Founded in 1902, AAA is a not-for-profit, fully taxpaying corporation. Its purpose is two-fold: to give members a full range of automotive 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 annually 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" and can be found on the Internet at www.aaa.com.

Information on AAA's public service and consumer advocacy activities can be found at www.aaapublicaffairs.com.

Runzheimer International

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 fewer than 10 vehicles may find the national averages in this brochure helpful.

Runzheimer International is located at Runzheimer Park, Rochester, WI 53167, telephone: (262) 971-2200.