

Behind the Numbers

AAA is a federation of motor clubs serving 47 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.

This edition of *Your Driving Costs* incorporates several significant updates to reflect the changing vehicle ownership habits of consumers. As a result, 2004 estimates are not directly comparable to those in previous editions.



Methodology The methodologies used to estimate the annual driving costs in this brochure are proprietary to AAA. The process incorporates standardized criteria designed to model the average AAA member's use of a vehicle for personal transportation over five years and 75,000 miles of ownership.

The use of standardized criteria ensures AAA's estimates are consistent when comparing driving costs of different vehicle makes and models. Actual driving costs will vary based on individual driving habits, location, operating conditions and other factors.

Estimates are provided to help consumers make informed vehicle purchase decisions and budget for annual automotive expenses.



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Your Driving Costs 2004

*How much
are you
really paying
to drive?*



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
2004 Chevrolet Cavalier LS 4-cyl. (2.2-liter) 4-door sedan	56.8 cents	44.8 cents	39.2 cents
2004 Ford Taurus SEL Deluxe 6-cyl. (3.0-liter) 4-door sedan	71.0 cents	58.4 cents	52.1 cents
2004 Mercury Grand Marquis LS 8-cyl. (4.6-liter) 4-door sedan	79.0 cents	65.4 cents	58.5 cents
composite national average	68.9 cents	56.2 cents	49.9 cents

Detailed driving costs can be found on pages 6 and 7. Driving costs for a 2004 Chevrolet TrailBlazer LS and a 2004 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 sport utility vehicles and vans.

What's Covered

AAA's analysis covers vehicles equipped with standard and optional equipment including automatic transmission, air conditioning, power steering, antilock brakes and cruise control, to name a few.

✓ **Fuel** Fuel costs were based on average late-2003 U.S. prices from AAA's Fuel Gauge Report: www.fuelgauge.com. Fuel mileage is based on Environmental Protection Agency fuel-economy ratings for 2004 models, weighted 60 percent city and 40 percent highway driving.

✓ **Maintenance** These costs include retail parts and labor for normal, routine maintenance as specified by the vehicle manufacturer. Maintenance costs also include price of a comprehensive extended warranty with one warranty deductible of \$100 and other wear-and-tear items that can be expected during five years of operating the vehicle. Sales tax is included on a national average basis.

✓ **Tires** Costs are based on the price of one set of replacement tires of the same quality, size and ratings as those that came with the vehicle. Mounting, balancing and sales tax are also included.

✓ **Insurance** AAA based its insurance costs on a full-coverage policy for a married 47-year-old male with a good driving record living in a small city and commuting three to 10 miles daily to work. The policy includes \$100,000/\$300,000 level coverage with \$500 deductible for collision coverage and \$100 deductible for comprehensive coverage.

✓ **License, Registration and Taxes** Costs include all governmental taxes and fees payable at time of purchase, as well as fees due each year to keep the vehicle licensed and registered. Costs are computed on a national average.

✓ **Depreciation** Depreciation is based on the difference between new-vehicle purchase price and its estimated trade-in value at the end of five years.

✓ **Finance** Costs are based on a five-year loan at 6 percent interest with a 10 percent down payment. The loan amount includes taxes and the first year's license fees, both computed on a national average basis.



To determine your annual driving costs, be sure to include all vehicle-related expenses incurred during the year.

Figuring Your Costs

To figure your fuel cost, begin with a full tank of fuel and write down the odometer reading. Each time you fill up, 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 fuel per mile. For example:

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

To determine your driving costs accurately, keep personal records on all the costs listed below. Use this worksheet to figure your total cost to drive:

Annual Cost Per Mile

costs	yearly totals
operating costs	
gas per mile	_____
total miles driven	x _____
total gas	= _____
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

2004 Chevrolet
Cavalier LS
4-cyl. (2.2-liter)
4-door sedan

2004 Ford
Taurus SEL Deluxe
6-cyl. (3.0-liter)
4-door sedan

2004 Mercury
Grand Marquis LS
8-cyl. (4.6-liter)
4-door sedan

Average

Operating Costs

	per mile	per mile	per mile	per mile
gas	5.4 cents	6.7 cents	7.5 cents	6.5 cents
maintenance	3.5 cents	6.5 cents	6.1 cents	5.4 cents
tires	0.5 cents	1.0 cents	0.6 cents	0.7 cents
cost per mile	9.4 cents	14.2 cents	14.2 cents	12.6 cents

Ownership Costs

	per year	per year	per year	per year
full-coverage insurance	\$1,606	\$1,397	\$1,806	\$1,603
license, registration, taxes	\$352	\$421	\$472	\$415
depreciation (15,000 miles annually)	\$2,812	\$4,051	\$4,484	\$3,782
finance charge (10% down; loan @ 6%/5 yrs.)	\$542	\$760	\$920	\$741
cost per year	\$5,312	\$6,629	\$7,682	\$6,541
cost per day	\$14.55	\$18.16	\$21.04	\$17.92

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	\$1,410	\$2,130	\$2,130	\$1,890
cost per day x 365 days	\$5,312	\$6,629	\$7,682	\$6,541
total cost per year	\$6,722	\$8,759	\$9,812	\$8,431 total
total cost per mile*	44.8 cents	58.4 cents	65.4 cents	56.2 cents
20,000 total miles per year	per year	per year	per year	per year
cost per mile x 20,000 miles	\$1,880	\$2,840	\$2,840	\$2,520
cost per day x 365 days	\$5,312	\$6,629	\$7,682	\$6,541
increased depreciation**	\$650	\$950	\$1,175	\$925
total cost per year	\$7,842	\$10,419	\$11,697	\$9,986
total cost per mile*	39.2 cents	52.1 cents	58.5 cents	49.9 cents
10,000 total miles per year	per year	per year	per year	per year
cost per mile x 10,000 miles	\$940	\$1,420	\$1,420	\$1,260
cost per day x 365 days	\$5,312	\$6,629	\$7,682	\$6,541
decreased depreciation***	-\$575	-\$950	-\$1,200	-\$908
total cost per year	\$5,677	\$7,099	\$7,902	\$6,893
total cost per mile*	56.8 cents	71.0 cents	79.0 cents	68.9 cents

* total cost per year ÷ total miles per year

** increased depreciation for mileage over 15,000 miles annually

*** decreased depreciation for mileage under 15,000 miles annually

Driving Costs

2004 Chevrolet TrailBlazer LS
6-cyl. (4.3-liter)
2WD 4-door sport utility

2004 Dodge Caravan SE
6-cyl. (3.0-liter)
passenger van

Operating Costs

	per mile	per mile
gas	8.4 cents	7.0 cents
maintenance	4.3 cents	5.8 cents
tires	1.0 cents	0.5 cents

cost per mile **13.7 cents** **13.3 cents**

Ownership Costs

	per year	per year
full-coverage insurance	\$1,491	\$1,268
license, registration, taxes	\$454	\$400
depreciation (15,000 miles annually)	\$4,043	\$3,657
finance charge (10% down; loan @ 6%/5 yrs.)	\$865	\$695

cost per year **\$6,853** **\$6,020**

cost per day **\$18.78** **\$16.49**

Total Cost Per Mile

15,000 miles a year	per year	per year
cost per mile x 15,000 miles	\$2,055	\$1,995
cost per day x 365 days	\$6,853	\$6,020

total cost per year **\$8,908** **\$8,015**

total cost per mile* **59.4 cents** **53.4 cents**

20,000 miles a year	per year	per year
cost per mile x 20,000 miles	\$2,740	\$2,660
cost per day x 365 days	\$6,853	\$6,020
increased depreciation**	\$950	\$950

total cost per year **\$10,543** **\$9,630**

total cost per mile* **52.7 cents** **48.2 cents**

10,000 miles a year	per year	per year
cost per mile x 10,000 miles	\$1,370	\$1,330
cost per day x 365 days	\$6,853	\$6,020
decreased depreciation***	-\$950	-\$950

total cost per year **\$7,273** **\$6,400**

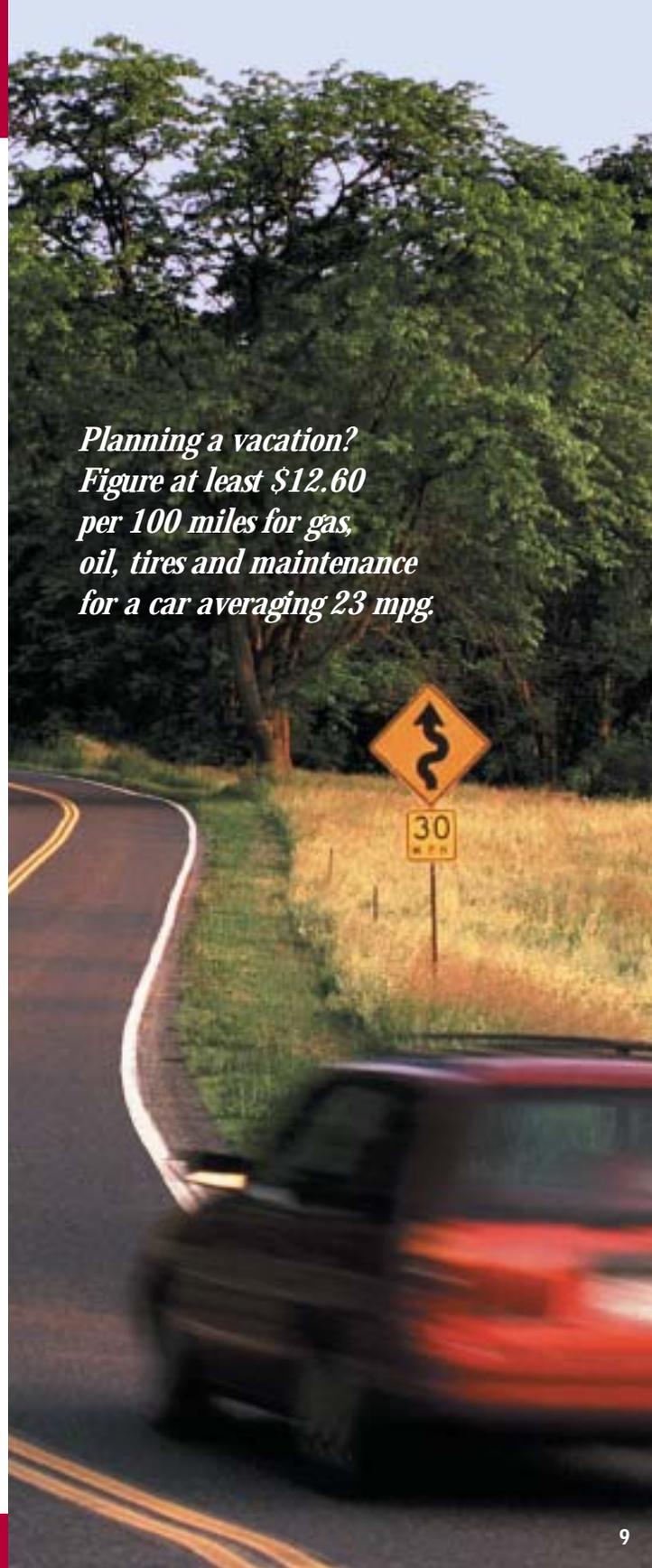
total cost per mile* **72.7 cents** **64.0 cents**

* total cost per year ÷ total miles per year

** increased depreciation for mileage over 15,000 miles annually

*** decreased depreciation for mileage under 15,000 miles annually

*Planning a vacation?
Figure at least \$12.60
per 100 miles for gas,
oil, tires and maintenance
for a car averaging 23 mpg.*



Vacation Planning

AAA's suggested budget for a family of four — two adults and two children — is at least \$235 per day for lodging and meals, plus \$12.60 per 100 miles for gas, tires and maintenance with the car averaging 23 miles per gallon.

Lodging The average cost for lodging is \$125 per night, based on the most recent 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 \$110 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 travel money such as prepaid money cards or travelers cheques. The AAA Visa TravelMoney card is a prepaid credit card that also offers 24-hour ATM access to cash in more than 120 local currencies. AAA members also can obtain fee-free travelers cheques from their local 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 brochure 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.

