

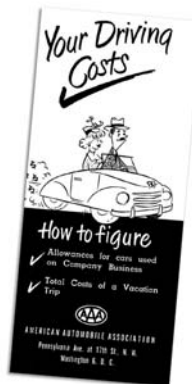
# Behind the Numbers

**AAA** is a federation of motor clubs serving more than 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* is directly comparable to the 2004 edition. In 2004, AAA incorporated several significant updates to its driving cost calculations. As a result, AAA's driving cost data for years prior to 2004 is not directly comparable to current data.



**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 2005

*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
2005 Chevrolet Cavalier LS 4-cyl. (2.2-liter) 4-door sedan	59.9 cents	47.6 cents	42.0 cents
2005 Ford Taurus SEL 6-cyl. (3.0-liter) 4-door sedan	69.1 cents	57.2 cents	51.4 cents
2005 Mercury Grand Marquis LS 8-cyl. (4.6-liter) 4-door sedan	75.7 cents	63.4 cents	57.2 cents
<b>composite national average</b>	<b>68.2 cents</b>	<b>56.1 cents</b>	<b>50.2 cents</b>

Detailed driving costs can be found on pages 6 and 7. Driving costs for a 2005 Chevrolet TrailBlazer LS and a 2005 Dodge Caravan SXT 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 \$1.939 per gallon, the late-2004 U.S. price from AAA's Fuel Gauge Report: [www.fuelgauge.com](http://www.fuelgauge.com). Fuel mileage is based on Environmental Protection Agency fuel-economy ratings for 2005 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 the price of a comprehensive extended warranty with one warranty deductible of \$100 and other wear-and-tear items that can be expected to require service 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 basis.

✓ **Depreciation** Depreciation is based on the difference between the new-vehicle purchase price and the 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	\$18.04	9,062
9.5	\$18.43	9,280
7.6	\$14.74	9,456
<b>26.4</b>	<b>\$51.21</b>	<b>9,456</b> <b>- 8,850</b>

**miles driven = 606**

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

**gas cost per mile:  $\$51.21 \div 606 = 8.5$  cents**

\* cost per gallon \$1.939

**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
<b>operating costs</b>	
gas per mile	_____
total miles driven	<b>x</b> _____
total gas	<b>=</b> _____
maintenance	<b>+</b> _____
tires	<b>+</b> _____
<b>total operating costs</b>	<b>+</b> <b>=</b> _____
<b>ownership costs</b>	
depreciation	_____
insurance	<b>+</b> _____
taxes	<b>+</b> _____
license and registration	<b>+</b> _____
finance charges	<b>+</b> _____
<b>total ownership costs</b>	<b>+</b> <b>=</b> _____
<b>other costs</b> (washes, accessories, etc.)	<b>+</b> _____
<b>total driving costs</b>	<b>=</b> _____
<b>total miles driven</b>	<b>÷</b> _____
<b>cost per mile</b>	<b>=</b> _____

# Driving Costs

2005 Chevrolet  
Cavalier LS  
4-cyl. (2.2-liter)  
4-door sedan

2005 Ford  
Taurus SEL  
6-cyl. (3.0-liter)  
4-door sedan

2005 Mercury  
Grand Marquis LS  
8-cyl. (4.6-liter)  
4-door sedan

Average

## Operating Costs

	per mile	per mile	per mile	per mile
gas	6.9 cents	8.5 cents	9.3 cents	8.2 cents
maintenance	4.7 cents	5.8 cents	5.4 cents	5.3 cents
tires	0.5 cents	0.7 cents	0.5 cents	0.6 cents
<b>cost per mile</b>	<b>12.1 cents</b>	<b>15.0 cents</b>	<b>15.2 cents</b>	<b>14.1 cents</b>

## Ownership Costs

	per year	per year	per year	per year
full-coverage insurance	\$1,456	\$1,195	\$1,212	\$1,288
license, registration, taxes	\$333	\$390	\$445	\$389
depreciation (15,000 miles annually)	\$2,985	\$4,005	\$4,647	\$3,879
finance charge (10% down; loan @ 6%/5 yrs.)	\$553	\$740	\$925	\$739
<b>cost per year</b>	<b>\$5,327</b>	<b>\$6,330</b>	<b>\$7,229</b>	<b>\$6,295</b>
<b>cost per day</b>	<b>\$14.59</b>	<b>\$17.34</b>	<b>\$19.81</b>	<b>\$17.25</b>

## Total Cost Per Mile

10,000 total miles per year	per year	per year	per year	per year
cost per mile x 10,000 miles	\$1,210	\$1,500	\$1,520	\$1,410
cost per day x 365 days	\$5,327	\$6,330	\$7,229	\$6,295
decreased depreciation***	-\$550	-\$925	-\$1,175	-\$883
<b>total cost per year</b>	<b>\$5,987</b>	<b>\$6,905</b>	<b>\$7,574</b>	<b>\$6,822</b>
<b>total cost per mile*</b>	<b>59.9 cents</b>	<b>69.1 cents</b>	<b>75.7 cents</b>	<b>68.2 cents</b>
15,000 total miles per year	per year	per year	per year	per year
cost per mile x 15,000 miles	\$1,815	\$2,250	\$2,280	\$2,115
cost per day x 365 days	\$5,327	\$6,330	\$7,229	\$6,295
<b>total cost per year</b>	<b>\$7,142</b>	<b>\$8,580</b>	<b>\$9,509</b>	<b>\$8,410 total</b>
<b>total cost per mile*</b>	<b>47.6 cents</b>	<b>57.2 cents</b>	<b>63.4 cents</b>	<b>56.1 cents</b>
20,000 total miles per year	per year	per year	per year	per year
cost per mile x 20,000 miles	\$2,420	\$3,000	\$3,040	\$2,820
cost per day x 365 days	\$5,327	\$6,330	\$7,229	\$6,295
increased depreciation**	\$650	\$950	\$1,175	\$925
<b>total cost per year</b>	<b>\$8,397</b>	<b>\$10,280</b>	<b>\$11,444</b>	<b>\$10,040</b>
<b>total cost per mile*</b>	<b>42.0 cents</b>	<b>51.4 cents</b>	<b>57.2 cents</b>	<b>50.2 cents</b>

\* 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

2005 Chevrolet TrailBlazer LS  
6-cyl. (4.3-liter)  
2WD 4-door sport utility

2005 Dodge Caravan SXT  
6-cyl. (3.3-liter)  
passenger van

## Operating Costs

	per mile	per mile
gas	10.8 cents	8.9 cents
maintenance	5.3 cents	5.7 cents
tires	0.9 cents	0.6 cents
<b>cost per mile</b>	<b>17.0 cents</b>	<b>15.2 cents</b>

## Ownership Costs

	per year	per year
full-coverage insurance	\$1,398	\$1,130
license, registration, taxes	\$435	\$389
depreciation (15,000 miles annually)	\$4,300	\$3,755
finance charge (10% down; loan @ 6%/5 yrs.)	\$891	\$739
<b>cost per year</b>	<b>\$7,024</b>	<b>\$6,013</b>
<b>cost per day</b>	<b>\$19.24</b>	<b>\$16.47</b>

## Total Cost Per Mile

10,000 miles a year	per year	per year
cost per mile x 10,000 miles	\$1,700	\$1,520
cost per day x 365 days	\$7,024	\$6,013
decreased depreciation***	-\$950	-\$925

<b>total cost per year</b>	<b>\$7,774</b>	<b>\$6,608</b>
<b>total cost per mile*</b>	<b>77.7 cents</b>	<b>66.1 cents</b>

15,000 miles a year	per year	per year
cost per mile x 15,000 miles	\$2,550	\$2,280
cost per day x 365 days	\$7,024	\$6,013

<b>total cost per year</b>	<b>\$9,574</b>	<b>\$8,293</b>
<b>total cost per mile*</b>	<b>63.8 cents</b>	<b>55.3 cents</b>

20,000 miles a year	per year	per year
cost per mile x 20,000 miles	\$3,400	\$3,040
cost per day x 365 days	\$7,024	\$6,013
increased depreciation**	\$925	\$950

<b>total cost per year</b>	<b>\$11,349</b>	<b>\$10,003</b>
<b>total cost per mile*</b>	<b>56.7 cents</b>	<b>50.0 cents</b>

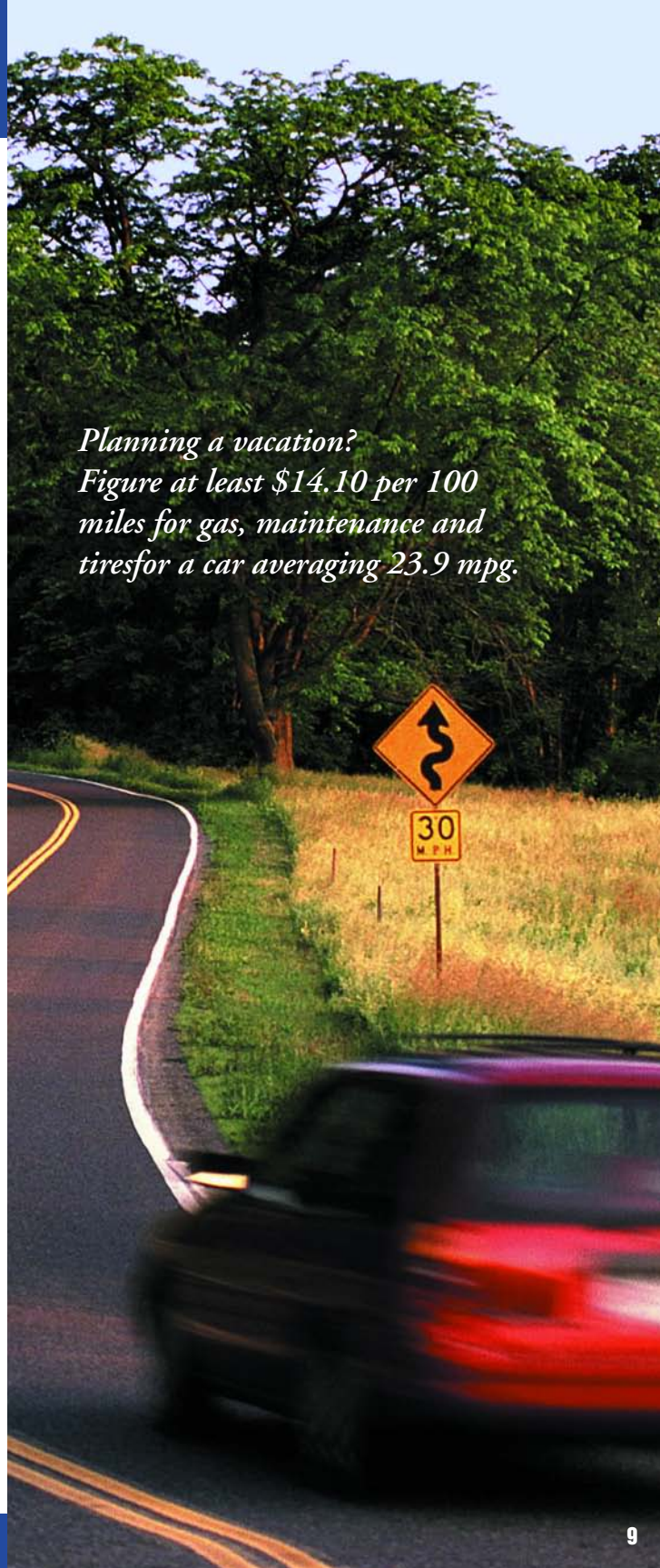
\* total cost per year ÷ total miles per year

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

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

*Planning a vacation?*

*Figure at least \$14.10 per 100 miles for gas, maintenance and tires for a car averaging 23.9 mpg.*



# Vacation Planning

## AAA's suggested budget for a family of four

— two adults and two children — is at least \$247 per day for lodging and meals, plus \$14.10 per 100 miles for gas, tires and maintenance with the car averaging 23.9 miles per gallon.

**Lodging** The average cost for lodging is \$129 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 \$118 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.** Realizing that some automobile costs relate to miles driven (fuel, oil, tires and maintenance) and some to ownership (insurance, taxes, interest and depreciation), some 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.

