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AMERICAN AUTOMOBILE ASSOCIATION

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AMERICAN AUTOMOBILE ASSOCIATION  
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**YOUR :**  
**DRIVING**  
**COSTS**

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**1991 EDITION**

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

## DRIVING COSTS

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
1991 Ford Escort LX 4-cyl. (114 CID) 4-door hatchback	35.8 cents	31.6 cents	28.4 cents
1991 Ford Taurus L 6-cyl. (182 CID) 4-door sedan	43.6 cents	37.9 cents	33.9 cents
1991 Chevrolet Caprice 8-cyl. (305 CID) 4-door sedan	55.6 cents	42.4 cents	37.5 cents
Composite cost	45.0 cents	37.3 cents	33.3 cents

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

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

Fuel costs were based on an average price of \$1.369 per gallon of regular unleaded gasoline, weighted 30 percent full-serve and 70 percent self-serve.

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

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

# YOUR EXPENSES

How can you figure your own expenses?

Car costs fall into two categories: operating and ownership (see pages 4 and 5).

**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 car parked in the garage.

To accurately determine car 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 \$12.73 .....
Buy 9.5 gallons .....	cost \$13.00 .....
Buy 7.6 gallons .....	cost \$10.40 .....
<b>TOTAL: 26.4 GALLONS .....</b>	<b>cost \$36.13 .....</b>
	<b>miles 9456</b>
	<b>-8850</b>
	<b>606</b>

Miles per gallon:  $606 \div 26.4 = 23$   
 Cost of gas per mile:  $\$36.13 \div 606 = 6$  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 tuneups, repairs and tires.

**INSURANCE** - Total the premiums of property damage and liability, comprehensive and collision policies that directly relate to your car'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 car's purchase price.

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

**FINANCE CHARGE** - Note interest charges if you borrowed money to buy the car.

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:

	YEARLY TOTALS
<b>OPERATING COSTS</b>	
Gas and oil per mile .....	_____
Number of miles driven .....	_____
Cost per year (multiply miles driven by gas and oil per mile) .....	_____
Maintenance .....	_____
Tires .....	_____
<b>TOTAL OPERATING COSTS .....</b>	<b>_____</b>
<b>OWNERSHIP COSTS</b>	
Depreciation (divide by number of years of car ownership) .....	_____
Insurance .....	_____
Taxes .....	_____
License and Registration .....	_____
Finance Charge .....	_____
<b>TOTAL OWNERSHIP COSTS .....</b>	<b>_____</b>
<b>OTHER COSTS</b> (Car wash, repairs and accessories) .....	_____
<b>TOTAL DRIVING COSTS PER YEAR .....</b>	<b>_____</b>
<b>COST PER MILE</b> (Divide total costs by total miles driven) .....	_____

# YOUR DRIVING COSTS

	1991	1991	1991	
	Ford Escort LX	Ford Taurus L	Chevrolet Caprice	
	4-cyl. (114 CID)	6-cyl. (182 CID)	8-cyl. (305 CID)	
4 year/60,000 mile cycle	4-door hatchback	4-door sedan	4-door sedan	Average Cost

## Details of Car Costs

	COST PER MILE	COST PER MILE	COST PER MILE	COST PER MILE
<b>OPERATING COSTS</b>				
Gasoline and Oil.....	5.3 cents	6.7 cents	7.7 cents	6.6 cents
Maintenance .....	2.0 cents	2.2 cents	2.4 cents	2.2 cents
Tires .....	<u>8 cents</u>	<u>9 cents</u>	<u>1.0 cents</u>	<u>9 cents</u>
	8.1 cents	9.8 cents	11.1 cents	9.7 cents
<b>OWNERSHIP COSTS</b>	<b>COST PER YEAR</b>	<b>COST PER YEAR</b>	<b>COST PER YEAR</b>	<b>COST PER YEAR</b>
Comprehensive insurance (\$100 deductible) .....	\$ 93	\$ 115	\$ 115	\$ 108
Collision insurance (\$250 deductible) .....	225	258	258	247
Property damage and liability (\$100,000, \$300,000, \$50,000) .....	353	353	353	353
License, registration, taxes .....	140	169	194	168
Depreciation .....	2,101	2,543	2,867	2,504
Finance charge (20% down; loan @ 12.0%/4 yrs.) .....	<u>614</u>	<u>779</u>	<u>904</u>	<u>766</u>
	\$3,526	\$4,217	\$4,691	\$4,146
	(or \$9.66 per day)	(or \$11.55 per day)	(or \$12.85 per day)	(or \$11.36 per day)
Depreciation for excess mileage per 1,000 miles over 15,000 miles annually	\$ 106	\$ 120	\$ 123	\$ 116

## 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	@ 9.8¢	\$1,470	@ 11.1¢	\$1,665	@ 9.7¢	\$1,455
*365 days .....	@ \$9.66	<u>3,526</u>	@ \$11.55	<u>4,216</u>	@ \$12.85	<u>4,690</u>	@ \$11.36	<u>4,146</u>
		\$4,741		\$5,686		\$6,355		\$5,601
<b>Cost Per Mile .....</b>		<b>31.6 cents</b>		<b>37.9 cents</b>		<b>42.4 cents</b>		<b>37.3 cents</b>

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

20,000 miles .....	@ 8.1¢	\$1,620	@ 9.8¢	1,960	@ 11.1¢	\$2,200	@ 9.7¢	\$1,940
*365 days .....	@ \$9.66	<u>3,526</u>	@ \$11.55	<u>4,216</u>	@ \$12.85	<u>4,690</u>	@ \$11.36	<u>4,146</u>
Added depreciation per 1,000 over 15,000 miles .....	@ \$106	<u>530</u>	@ \$120	<u>600</u>	@ \$123	<u>615</u>	@ \$116	<u>580</u>
		\$5,676		\$6,776		\$7,505		\$6,666
<b>Cost Per Mile .....</b>		<b>28.4 cents</b>		<b>33.9 cents</b>		<b>37.5 cents</b>		<b>33.3 cents</b>

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

10,000 miles .....	@ 8.1¢	\$ 810	@ 9.8¢	\$ 980	@ 11.1¢	\$1,110	@ 9.7¢	\$ 970
**365 days .....	@ \$7.60	<u>2,773</u>	@ \$9.27	<u>3,384</u>	@ \$12.19	<u>4,449</u>	@ \$9.68	<u>3,535</u>
		\$3,583		\$4,364		\$5,559		\$4,505
<b>Cost Per Mile .....</b>		<b>35.8 cents</b>		<b>43.6 cents</b>		<b>55.6 cents</b>		<b>45.0 cents</b>

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

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



## 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 \$180 per day for lodging and meals, plus \$9.70 per 100 miles for gas, oil, tires and maintenance with the car averaging 21 miles per gallon.

The average cost for lodging is \$84 a night, based on the rates charged by approved accommodations listed in AAA TourBooks. This rate includes \$5 nightly per child. However, if children are within an age limit set by the 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 \$96 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 picknicking 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 a reserve fund for emergencies in your vacation budget.

## BUSINESS TRAVEL

What about business travel?

Although some firms continue to provide cars to full-time business travelers, a growing number let employees use personally owned cars 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 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 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 car for a year. Because employees who use their own cars for company business also use their cars for personal driving, reimbursement should not amount to 100 percent of the total costs.



## AAA

The American Automobile Association is a federation of motor clubs serving more than 32 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 headquarters is located at 1000 AAA Drive, Heathrow, FL 32746-5063. Telephone number: (407) 444-7000. Local AAA clubs are listed in telephone directories under "AAA."



## 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 cars can contact Runzheimer directly to learn about individual schedules. Firms with less than 10 cars may find the national averages in the cost charts helpful.

Runzheimer International is located at Runzheimer Park, Rochester, Wis. 53167. Telephone number: (414) 534-3121.

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