

1998
edition



your
driving
c o s t s



AAA Association Communication
1000 AAA Drive
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figuring
it out



h o w m u c h d o e s i t c o s t t o d r i v e ?

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
1998 Chevrolet Cavalier LS 4-cyl. (2.2 liter) 4-door sedan	46.6 cents	39.2 cents	35.4 cents
1998 Ford Taurus GL 6-cyl. (3.0 liter) 4-door sedan	54.8 cents	45.3 cents	40.6 cents
1998 Mercury Grand Marquis GS 8-cyl. (4.6 liter) 4-door sedan	68.7 cents	53.5 cents	47.2 cents
composite national average	56.7 cents	46.0 cents	41.1 cents

Detailed driving costs can be found on pages 6 and 7. Driving costs for a 1998 Chevrolet Blazer and a 1998 Dodge Caravan SE are listed on Page 8. Costs for these two vehicles are not part of the composite national average.



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, anti-lock brakes, cruise control, tilt steering wheel, tinted glass, emission equipment and rear-window defogger.

Fuel costs are based on an average price of \$1.285 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.

Driving costs for a 1998 Chevrolet Blazer and a 1998 Dodge Caravan SE are listed on Page 8. 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 vehicle types only.

Vehicle costs fall into two categories:

o p e r a t i n g c o s t s

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

o w n e r s h i p c o s t s

Taxes, depreciation, finance charges, registration, insurance and license fees are ownership costs. These costs are incurred regardless of how often you drive your vehicle.

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	\$12.46	9,062
9.5	\$12.73	9,280
7.6	\$10.18	9,456
26.4	\$35.37	9,456
		- 8,850

miles driven = 606

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

gas cost per mile: $\$35.37 \div 606 = 5.8$ cents

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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 charges • Note interest charges if you borrowed money to buy the vehicle.

annual cost per mile

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

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driving costs

	1998 Chevrolet Cavalier LS 4-cyl. (2.2 liter) 4-door sedan	1998 Ford Taurus SE 6-cyl. (3.0 liter) 4-door sedan	1998 Mercury Grand Marquis GS 8-cyl. (4.6 liter) 4-door sedan	Average
operating costs				
	per mile	per mile	per mile	per mile
gas and oil	5.0 cents	6.3 cents	7.4 cents	6.2 cents
maintenance	2.9 cents	3.1 cents	3.2 cents	3.1 cents
tires	1.3 cents	1.4 cents	1.4 cents	1.4 cents
cost per mile	9.2 cents	10.8 cents	12.0 cents	10.7 cents
ownership costs				
	per year	per year	per year	per year
comprehensive insurance (\$250 deductible)	\$140	\$115	\$149	\$134
collision insurance (\$500 deductible)	\$293	\$262	\$305	\$287
bodily injury and property damage (\$100,000, \$300,000, \$50,000)	\$479	\$479	\$479	\$479
license, registration, taxes	\$175	\$223	\$279	\$226
depreciation (15,000 miles annually)	\$2,819	\$3,294	\$3,979	\$3,364
finance charge (20% down; loan @ 9.0%/4 yrs.)	\$598	\$802	\$1,040	\$813
cost per year	\$4,504	\$5,175	\$6,231	\$5,303
cost per day	\$12.34	\$14.18	\$17.07	\$14.53
added depreciation costs (per 1,000 miles over 15,000 miles annually)	\$146	\$156	\$162	\$155
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	\$1,380	\$1,620	\$1,800	\$1,605
cost per day x 365 days ***	\$4,504	\$5,175	\$6,231	\$5,303
total cost per year	\$5,884	\$6,795	\$8,031	\$6,908
total cost per mile*	39.2 cents	45.3 cents	53.5 cents	46.1 cents
20,000 total miles per year	per year	per year	per year	per year
cost per mile x 20,000 miles	\$1,840	\$2,160	\$2,400	\$2,140
cost per day x 365 days ***	\$4,504	\$5,175	\$6,231	\$5,303
depreciation cost x 5 **	\$730	\$780	\$810	\$775
total cost per year	\$7,074	\$8,115	\$9,441	\$8,218
total cost per mile*	35.4 cents	40.6 cents	47.2 cents	41.1 cents
10,000 total miles per year	per year	per year	per year	per year
cost per mile x 10,000 miles	\$920	\$1,080	\$1,200	\$1,060
cost per day x 365 days ****	\$3,740	\$4,403	\$5,672	\$4,591
total cost per year	\$4,660	\$5,483	\$6,872	\$5,651
total cost per mile*	46.6 cents	54.8 cents	68.7 cents	56.5 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

	1998 Chevrolet Blazer 6-cyl. (4.3 liter) 2WD 2-door sport utility	1998 Dodge Caravan SE 6-cyl. (3.0 liter) passenger van
operating costs	per mile	per mile
gas and oil	7.2 cents	6.8 cents
maintenance	3.4 cents	3.2 cents
tires	1.4 cents	1.3 cents
cost per mile	12.0 cents	11.3 cents
ownership costs	per year	per year
comprehensive insurance (\$250 deductible)	\$286	\$124
collision insurance (\$500 deductible)	\$547	\$347
bodily injury and property damage (\$100,000, \$300,000, \$50,000)	\$479	\$479
license, registration, taxes	\$396	\$379
depreciation (15,000 miles annually)	\$3,556	\$3,409
finance charge (20% down; loan @ 9.0%/4 yrs.)	\$929	\$885
cost per year	\$6,193	\$5,623
cost per day	\$16.97	\$15.41
added depreciation costs (per 1,000 miles over 15,000 miles annually)	\$126	\$154
total cost per mile		
15,000 miles a year		
cost per mile x 15,000 miles	\$1,800	\$1,695
cost per day x 365 days ***	\$6,193	\$5,623
total cost per year	\$7,993	\$7,318
total cost per mile *	53.3 cents	48.8 cents
20,000 miles a year		
cost per mile x 20,000 miles	\$2,400	\$2,260
cost per day x 365 days ***	\$6,193	\$5,623
depreciation cost x 5 **	\$630	\$770
total cost per year	\$9,223	\$8,653
total cost per mile *	46.1 cents	43.3 cents
10,000 miles a year		
cost per mile x 10,000 miles	\$1,200	\$1,130
cost per day x 365 days ****	\$5,210	\$4,641
total cost per year	\$6,410	\$5,771
total cost per mile *	64.1 cents	57.7 cents

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

AAA's suggested budget for a family of four — two adults and two children — is at least \$210 per day for lodging and meals, plus \$10.80 per 100 miles for gas, oil, tires and maintenance with the car averaging 21 miles per gallon.

L o d g i n g

The average cost for lodging is \$110 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's not possible, plan to arrive early for a wider selection of accommodations.

m e a l s

AAA suggests that a family plan to spend at least \$100 a day for meals, not including tips or cocktails.

Meal costs can be reduced by eating 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.

a d d i t i o n a l c o s t s

In addition to lodging, food and driving costs, a family should budget for 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, AAA suggests carrying travelers cheques.

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.

g e t t i n g r e i m b u r s e d

flat mileage allowance • Many companies provide 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 flat mileage rate • Many companies realize that some automobile costs relate to miles driven (fuel, oil, tires and maintenance) and some 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.



AAA is a federation of motor clubs serving more than 40 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 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."

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 the cost charts helpful.

Runzheimer International is located at Runzheimer Park, Rochester, WI 53167, telephone: (414) 767-2200.