

AAA Reveals True Cost of Vehicle Ownership

American drivers' annual driving cost to own and operate a motor vehicle will cost an average of \$8,469, or \$706 each month according to AAA's 2017 Your Driving Cost study.

The annual evaluation of driving costs reveals small sedans are the least expensive vehicles to drive at \$6,354 annually, however small SUVs (\$7,606), hybrids (\$7,687) and electric vehicles (\$8,439) all offer lower-than-average driving costs to U.S. drivers. Conversely, of the nine categories included in the evaluation, pickup trucks are the most expensive vehicles to drive at \$10,054 annually.

To estimate the overall cost to own and operate a new vehicle, AAA evaluated 45 2017 model-year vehicles across nine categories and focused on mid-range, top-selling vehicles. AAA's annual driving cost is based on a sales-weighted average of the individual costs for all of the vehicle types. Key findings include:

Fuel

Fuel costs vary significantly by vehicle type, ranging from 3.68 cents per mile (electric vehicles) to 13.88 cents per mile (pickup trucks). New vehicle owners, on average, will spend just over 10 cents per mile – about \$1,500 annually -- to fuel their vehicles.

For gasoline-powered vehicles, AAA recommends selecting a TOP TIER gasoline, as its independent research found it to keep engines 19 times cleaner, improving vehicle performance and fuel economy. AAA cautions drivers that using premium-grade gasoline in a vehicle that does not specifically require it is an unnecessary expense.

Depreciation

The declining value of a vehicle over time -- is the biggest, and most often overlooked, expense associated with purchasing a new car. New vehicles lose an average of \$15,000 in value during the first five years of ownership. In 2017, small sedans (\$2,114) and small SUVs (\$2,840) have the lowest annual depreciation costs, while minivans (\$3,839) and electric vehicles (\$5,704) are at the high end of the scale.

Maintenance, Repair

To calculate annual maintenance and repair costs, AAA examined factory-recommended maintenance, replacement tires, extended warranty costs and services associated with typical wear-and-tear. New vehicles, on average, will cost a driver \$1,186 per year to maintain and repair.

The inevitable costs associated with maintenance and repair should be an important consideration for car shoppers, as a recent AAA survey found that one-third of U.S. drivers could not afford an unexpected repair bill. AAA Approved Auto Repair facilities offer free vehicle inspections, AAA member discounts and a 24-month/24,000-mile warranty for AAA members. Visit AAA.com/AutoRepair to find a nearby facility.

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Vehicle Type	Annual Cost*
Small Sedan	\$6,354
Small SUV	\$7,606
Hybrid	\$7,687
Medium Sedan	\$8,171
Electric Vehicle	\$8,439

Vehicle Type	Annual Cost*
Minivan	\$9,146
Large Sedan	\$9,399
Medium SUV	\$9,451
Pickup Truck	\$10,054
Average	\$8,469

**Based on 15,000 miles driven annually*

Electric Vehicles

New to the Your Driving Costs study in 2017, AAA found that electric vehicles have lower-than-average driving costs at \$8,439 per year. Without a gasoline engine to maintain, electric vehicles have the lowest annual maintenance and repair costs, at \$982 per year. By relying on electricity instead of gasoline, fuel costs are also significantly lower than average, at under four cents per mile. Depreciation, however, is currently extremely high for these vehicles, losing an average of nearly \$6,000 in value every year.

A recent AAA survey revealed that 1-in-6 Americans are likely to choose an electric vehicle, the majority motivated by their lower long-term ownership costs.

Although electric vehicles can have higher up-front costs, lower fuel and maintenance costs make them an affordable choice in the long run, said AAA, adding car shoppers can avoid high depreciation costs by selecting a used electric vehicle.

About the Study

AAA's Your Driving Costs study employs a proprietary methodology to analyze the costs of owning and operating a new vehicle in the United States, using data from a variety of sources, including Vincentric LLC. Additional information and detailed driving costs, including insurance costs, finance charges, registration/license fees, taxes and finance charges can be found at NewsRoom.AAA.com or AAA.com/YourDrivingCosts.

About AAA

As North America's largest motoring and leisure travel organization, AAA provides more than 57 million members with travel, insurance, financial and automotive-related services. Since its founding in 1902, the not-for-profit, fully tax-paying AAA has been a leader and advocate for the safety and security of all travelers. Motorists can map a route, identify gas prices, find discounts, book a hotel and access AAA roadside assistance with the AAA Mobile app for iPhone, iPad and Android. Learn more at AAA.com/mobile. AAA clubs can be visited on the Internet at AAA.com.