



## How Much Does it Really Cost to Own a New Car?

Buying a car is one of the biggest purchases a person will make in their lives. Before embarking on the car buying journey, it's important to understand how much it will cost beyond just the sticker price. Since 1950, AAA has published its annual Your Driving Costs study that breaks down the cost of owning a new car including depreciation, finance, fuel, insurance, license/registration/taxes and maintenance/repair.

### 2020 Costs Broken Down

AAA uses five top-selling models in each of nine vehicle size/type categories to calculate ownership costs across a number of areas. These are then combined and averaged to determine the overall cost to own a new car in 2020. For the full list of vehicles included in this year's study, [click here](#).

### Average Costs Per Mile

Miles per Year	10k	15k	20k
<b>Average Cost</b>	82¢	64¢	55¢

Average cost of a new car: **\$31,401\***

This year the overall average cost to own and operate a new car in 2020 is \$9,561 — \$279 higher than last year. This is attributed to an increase in cost in every area except fuel and finance charges.

### Category Costs

The costs for each of these categories as listed below are an average calculated over five years and 75,000 miles. For a full description of each category, [click here](#).

	Cost	Change Year Over Year	Highlights
<b>Depreciation</b>	\$3,721 loss in value/year	↑ 12%	Increase due to higher average vehicle purchase price of small sedans, large sedans and electric vehicles
<b>Finance</b>	\$819/year	↓ 11%	New car loan interest rate in 2020 was nearly 1% lower than last year.
<b>Fuel</b>	11¢/mile	↓ 8%	Gas prices declined in early 2020 due to an increased supply coupled with a decreased demand related to COVID-19.
<b>Insurance</b>	\$1,202/year	↑ 0.6%	Normal market fluctuation
<b>License, Registration &amp; Taxes</b>	\$851/year	↑ 13%	Higher vehicle prices and average sales tax rate increased.
<b>Maintenance, Repair &amp; Tires</b>	9¢/mile	↑ 4%	Increase in the national labor rate.

## Costs by Vehicle Category

For a full break down of costs per vehicle, [click here](#).

	Cost	Highlights
<b>Small Sedan</b>	50.10¢/mile	Lowest overall driving costs
<b>Medium Sedan</b>	58.23¢/mile	Overall costs fall in the middle of the pack
<b>Large Sedan</b>	74.55¢/mile	Second most expensive to drive behind pickups
<b>Small SUV</b>	55.75¢/mile	Lowest to insure
<b>Medium SUV</b>	66.91¢/mile	Highest maintenance, repair and tire costs
<b>Minivan</b>	67.34¢/mile	Second lowest to insure behind small SUVs
<b>Pickup</b>	75.39¢/mile	Highest overall driving costs
<b>Hybrid</b>	54.32¢/mile	Second least expensive to drive behind small sedans
<b>Electric</b>	60.79¢/mile	Lowest maintenance, repair and tire costs

## How to Calculate Your Own Driving Costs

You can determine the driving costs of your vehicle by keeping records of the various cost categories over the course of a year. This should include trips that represent your normal driving habits. To see the full formula, [click here](#).

## Methodology

AAA uses a proprietary methodology to analyze the costs of owning and operating a new car in the United States. Data is sourced from a variety of sources including Vincentric LLC, and incorporates standardized criteria to estimate the costs of using a new vehicle for personal transportation over five years and 75,000 miles of ownership. The use of standardized criteria ensures AAA estimates are consistent when comparing the driving costs of different vehicle types. Actual driving costs will vary based on driving habits, location, operating conditions and other factors.