



## 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 the sticker price. Since 1950, AAA has published its annual Your Driving Costs study that looks at the most popular models on the market and breaks down the cost of owning a new car including depreciation, finance, fuel, insurance, license/registration/taxes and maintenance/repair/tires.

### 2021 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 2021. Changes to the vehicle list can be found in the [full brochure](#).

The overall average cost to own and operate a new car in 2021 is \$9,666.

### Category Costs

The costs for each of these categories as listed below are an average calculated over five years and 75,000 miles.

### Average Ownership Costs Per Mile

Miles per Year	10k	15k	20k
<b>Average Cost</b>	83¢	64¢	55¢

Average cost of a new car: **\$32,903**

	Cost	Description
<b>Depreciation</b>	\$3,900 loss in value/year	Based on the difference between new-vehicle purchase price & estimated trade-in value at the end of five years & 75,000 miles.
<b>Finance</b>	\$712/year	Based on a 5-year loan, with 10% down, at the national average interest rate for five credit rating categories weighted by market share. Includes taxes & the first year's license fees (national average).
<b>Fuel</b>	10.72¢/mile	Based on average prices for a 12-month period ending 5/21/21. During this time, regular grade gas averaged \$2.462/gallon. Electric vehicle charging costs are based on a rate of 13.1 cents/kilowatt hour.
<b>Insurance</b>	\$1,342/year	Based on a full coverage policy for personal use of a vehicle by a driver who is under 65 years of age, has more than 6 years of driving experience, no accidents & lives in the suburbs or city.
<b>License, Registration &amp; Taxes</b>	\$669/year	Includes all government taxes & fees payable at time of purchase, as well as annual fees to keep the vehicle licensed & registered (national average).
<b>Maintenance, Repair &amp; Tires</b>	9.55¢/mile	Includes retail parts & labor for routine maintenance specified by the vehicle manufacturer, a comprehensive extended warranty, repairs to wear-and-tear items that require service during 5 years of operation & one set of replacement tires.

## Costs by Vehicle Category

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

	Cost	Highlights
<b>Small Sedan</b>	48.20¢/mile	Least expensive overall costs, which makes them attractive to first-time buyers
<b>Medium Sedan</b>	62.44¢/mile	Middle of the pack for overall costs, however, most expensive to insure
<b>Subcompact SUV</b>	53.45¢/mile	Second lowest for depreciation, which is the single biggest expense of owning a new vehicle
<b>Compact SUV</b>	56.63¢/mile	Lowest to insure & are a popular choice among car buyers
<b>Medium SUV</b>	66.45¢/mile	Second most expensive to own & operate
<b>Mid-size Pickup</b>	62.77¢/mile	Third-highest overall driving costs
<b>Half-Ton Pickup</b>	77.25¢/mile	Highest overall driving costs
<b>Hybrid</b>	60.06¢/mile	Second least expensive for fuel & maintenance costs
<b>Electric</b>	61.96¢/mile	Lowest maintenance, repair & 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 calculate the costs of owning and operating a new car in the United States. Data is gathered 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.

