

The Cost of Car Ownership

While owning your own car can provide a sense of freedom and mobility – this mobility comes at a high price.

Driving Costs

According to the Automobile Club of Southern California, the average annual cost of driving a new car in Southern California was almost \$8000 a year in 2001. Individuals who own their cars outright and don't face a loan or lease payment each month still incur annual expenses of over \$4000 a year for the privilege of driving. These costs include monthly financing or lease payments, auto insurance, license fees and taxes, maintenance costs and fuel.

Parking – A “Hidden” Cost

Not usually included in the cost of owning a car is the cost of parking. Most people's cars sit idle most hours, and finding a parking spot in Southern California is often an expensive and time consuming proposition. This can often mean several hundreds or thousands more in household expenses. Even when a parking space is “free”, the cost is usually added to the price of goods, services or rent.

Car Ownership vs. Home Ownership

Owning two or more cars doesn't just leave families with higher expenses; it can also cost a family the opportunity to own a home. The average family spends about 18 percent of household income on transportation, and many households in the region spend close to a quarter of their total income—more than on food, healthcare or clothing.

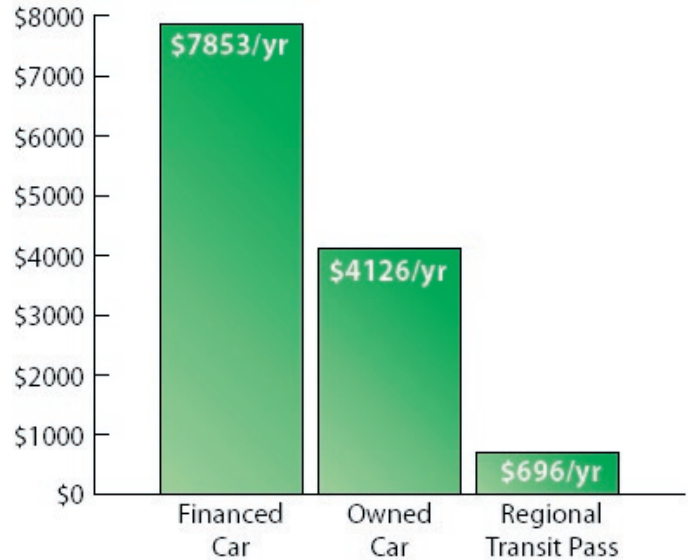
Over ten years, for every \$10,000 invested in a home, a home owner can get a return of \$4730 in equity, but for every \$10,000 spent on an automobile, a car-owner receives equity of just \$910.12

Source: Surface Transportation Policy Project and Center for Neighborhood Technology, Driven to Spend, p.18, 2000.

Yet, by simply owning one less car, some households can purchase a home they might otherwise not be able to afford. In addition, households that opt to buy a home in a walkable, mixed-use community well-served by public transit can take advantage of Location Efficient Mortgages, which allows them to qualify for a home loan of up to \$50,000 more.

Driving up household costs

A comparison of the annual cost of owning and driving a car with riding public transit demonstrates the significant added expense that households incur with each car they own.



“Smart” Alternatives to Owning A Car

While being without a car in Southern California might sound like a nightmare to some, there are good alternatives to owning a car in Southern California.

• Walking and bicycling

By living near your workplace or a shopping district, you can walk or ride a bicycle to work or run errands. It's a quick, affordable and healthy way to get around.

• Taking Transit

For longer trips, the region has an extensive public transit system of bus and rail lines, and a commuter rail system that links Los Angeles County with Orange, Ventura, San Bernardino and Riverside Counties.

• Car sharing

For trips that require a car, a company called FlexCar has introduced “car sharing” to Southern California, giving individuals convenient access to a car for a few hours for a modest hourly fee.

Visit these websites to learn more:

MTA Trip Planner — www.mta.net

FlexCar — www.flexcar.com

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