

Vehicle comparison over a 30 year period

Purchase price of car	\$25,000	\$25,000
Age of vehicle in years at time of purchase	0 years	0 years
Years you plan to own that vehicle	5 years	15 years
Number of years to calculate lifetime costs	30 years	30 years
Number of cars purchased in 30 years	6 cars	2 cars
Final age of vehicle upon replacement	5 years	15 years
Average annual depreciation percentage	16%	7%
Average annual depreciation cost	\$3,900	\$1,633
Depreciation for period of car ownership	\$19,500	\$24,500
Resale value at end of ownership period	\$5,500	\$500
Lifetime depreciation cost	\$117,000	\$49,000
Expected rate of return if depreciation is invested	4%	4%
Lost future value if depreciation is not invested	\$218,731	\$91,605
30 years of maintenance	\$37,500*	\$52,500*
30 years cost of transportation without fuel and insurance	\$373,231	\$180,126
	Difference	\$180,126

*Used an average yearly expense for repairs and maintenance on the newer vehicles as \$1,250 and \$1,750 for the vehicles that are kept longer. There will need to be a few more things repaired if we keep the vehicle for a long time.

Average price of vehicle in Canada 2012	\$32,210	\$32,210
Average monthly payment	\$528	\$528
Years you plan to own that vehicle	5 years	15 years
Number of years to calculate lifetime costs	30 years	30 years
Number of cars purchased in 30 years	6	2
Total spent in car payments	\$190,080	\$63,360
Total spent on service and repairs	\$37,500	\$52,500
Cost of transportation without fuel and insurance	\$227,580	\$115,860
Investment of savings at 4%	0	\$119,737