

village view

by Andrea Leonard

Is the family car showing signs of needing major repairs? Do strange sounds assault your ears and fill you with foreboding? Is the old crate rusting out? Is it time to trade?

If you decide it is, other decisions will follow fast; in arriving at them, you may want to consider some of these factors.

Since Cape Codders depend almost entirely on automobiles for transportation, having more than a vague notion of the expense involved can mean big savings to car owners.

A new standard four-door sedan will carry a sticker price of around \$6,000; on the average a car's life is ten years, or 100,000 miles; most cars go through three or four owners before being scrapped. Smaller cars, the compacts and subcompacts, cost proportionately less new.

Most people figure auto costs are outlays for gas, oil, tires and repairs. But there are other expenses, costs paid even though the car never leaves the yard. These include depreciation, excise taxes, registration, insurance, and finance charges.

Depreciation is loss in value due to passage of time, mechanical and physical deterioration, and mileage. It is the greatest single cost of owning a car. A standard-sized car suffers its greatest depreciation in the first few years of its life. Smaller cars also depreciate, but the loss is distributed more evenly over their years of life.

Insurance expense differs depending, in part, on the car's value, the amount of coverage, type of use, and location. Because cars are continually exposed to possible damage whether on the road or parked, adequate insurance is a necessity, but over-insuring is a waste. Insurance company statistics reveal the annual collision rate is about 10 for every 100 cars; the average motorist will be involved in two accidents every eight years, and one of these will probably be his own fault.

Most people carry collision insurance for the first five years of their car's life. The standard deductible in Massachusetts is \$200, and any motorist who has an accident will pay that minimum amount. After discontinuing collision coverage (usually dropped when a car is five years old), he will pay the entire cost of accidental damage.

No one who buys a car escapes finance charges. They come either as interest paid on money borrowed or as interest lost on money withdrawn from savings or other investments to buy the car outright.

For example, on a conventional 36-month loan of \$3,266 covering two-thirds of the purchase price, the interest cost at a 10% annual rate for three years would be \$533; if the purchase were financed by a savings withdrawal and the amount were paid back in 36 equal monthly installments, the net interest lost at 5½% in the account would be \$296.

If the loan were as low as \$2,163, the interest cost would be \$339 on a conventional loan, but only \$188 if withdrawn from savings.

Since there are important cost differences, as illustrated, the merits of alternative financing methods should be weighed carefully.

Taxes and registration fees are annual expenses, in addition to the sales tax on the initial purchase. The excise tax is determined by the remaining value of the car, after depreciation; as it depreciates, the excise tax decreases each year.

Accessories such as floor mats, radio or tape deck, side mirrors, or seat covers, are often added to cars; while these have no effect on its mechanical operation, they can effect its cost considerably.

Unless he parks his car on the street, exposing it to weather and greater-than-average danger of collision, no auto owner escapes garaging expense. An attached or detached

garage, a car port, or even a paved or gravelled apron on your property is an auto expense.

Operating costs include gas, oil, tires, repairs and maintenance, parking and tolls, and taxes on gas and oil. The more a car is used, the higher these costs rise. Given 100,000 miles of use, you have 400,000 miles of tire wear. With reasonable care a tire on a standard-sized car will need to be replaced seven times, including three regular tires and four snow tires. Smaller car tires are less expensive to purchase, but they wear faster because the wheels are proportionately smaller and each square inch of tread hits the road surface oftener.

Repairs and maintenance expenses vary widely, of course, but all motorists incur some. Charges of \$13 and \$14 an hour for repair-shop-labor are not unusual, and this is a major factor in the cost-per-mile for running your car.

Since compact and subcompact cars are relatively simple mechanically, the smaller vehicles do permit savings to people who do their own minor repair and maintenance work. Replacing spark plugs, wiper blades, fan belts, and radiator hoses on cars of all sizes is not difficult. The motorist who invests his own time and labor will save.

Where you use your car can affect your per-mile cost. Miles driven in rural areas tend to be most economical. Lower accident rates of rural areas may lower your insurance costs; fewer traffic control devices mean less wear and tear on the car; traffic congestion increases operating costs.

If you're ready to trade, you must first determine your needs. Some people require a standard-sized car and must forego the economies and advantages of the compacts and subcompacts. If you can adjust to the space limitations, however, you'll find gasoline cost savings over 100,000 miles in a subcompact can amount to nearly half the cost of another subcompact.

Car owners can reduce owning and operating costs by using radial tires rather than bias-ply; although the original cost of radials is higher, they wear longer and, particularly, in highway driving, contribute 5 to 7 percent better gas mileage.

Shopping for financing is worthwhile; by using and replacing savings, finance costs can be slashed by large amounts.

A properly tuned engine uses the gasoline you buy. Small cars save on fuel, but efficiency is diluted if power-robbing features such as automatic transmissions, air conditioners and power steering are added.

Once your trade is made and you have your new car, study your warranty and use every promised service. This can mean substantial savings on maintenance. If needed warranty covered repairs are put in writing, and a copy is retained by the owner, this record may be useful in determining responsibility for any repairs requested, but not completed, once the car goes out of warranty.

Making minor repairs and replacements yourself saves paying mechanic's wages.

Whether you buy a standard, a compact, or a subcompact you can approach your trade and the car dealer with more assurance if you know what your costs have been in the past and what you can expect your expense will be in the future.

Whether you buy a second-hand standard a couple of years old (and let its first owner take the worst of the depreciation beating), or a new subcompact that will depreciate more slowly, you can enjoy comfortable transportation and come out further ahead if you determine your needs, where your dollars could drain away, and how best to plug the leaks.

The old adage "a penny saved is a penny earned" applies to cars much as it does to food and clothing expenses. To save those pennies, however, you need more than a vague idea of where they are going when you feed them into your automobile.