

# WHAT DOES YOUR FLEET VEHICLE REALLY COST?

## Breaking down costs by category

As your fleet size grows, so does every other part of your business and data management. Suddenly, questions about your budget breakdowns for vehicle replacement, resource allotment, personnel and more start to add more zeroes on the end. Your spreadsheets add tables, tabs, sheets and rows as far as the eye can see. Your coworkers might even make jokes that you are “up to your ears” in data and spreadsheets. So, what can you say when someone asks you “what does your fleet vehicle really cost?”

The breakdown on vehicle expenses and fleet budgeting has never been as massive, and yet spread thin, as it is in today’s world. Let’s look at a typical, modern-day breakdown of a large city fleet budget:

### 9% Cost of Money/Interest

The interest required for financing fleet vehicles can be substantial and fluctuate with market trends.

### 6% Taxes & Licensing

Taxes must be paid when a vehicle is purchased. Licensing fees may be considered as “operational” since they are often recurring charges for vehicles in service.

### 3% Administration

Administrative costs can include procurement and disposal expenses, as well as transaction costs and indirect expenses of managing a fleet.

### 9% Maintenance

Maintenance costs includes all preventive and unscheduled maintenance, as well as downtime. Most fleets include the labor and parts necessary to keep the fleet operational.

### 5% Insurance/Collision Repair

Insurance costs can be estimated each year, but collision and accident costs can be hard to predict.

### 15% Fuel

Fuel keeps the fleet in operation and its one of the hardest costs to predict because the price is controlled by so many factors. In today’s world, this is further complicated (and also assisted) with the proliferation of hybrids, plug-in electric hybrids and electric vehicles (EVs).

### 53% Depreciation

Depreciation is the single largest expense for fleets. It represents the decline in a car’s value over the course of its useful life. A vehicle typically loses 15-20% of its value each year.



Do you want to know how much your vehicles are really costing? Schedule a free, custom demo: [assetworks.com/fleet](https://assetworks.com/fleet).