



## Calculating 5-year Money Accumulation from Keeping Older Truck vs. Buying a New Truck vs. Leasing a Truck

	Year 1	Year 2	Year 3	Year 4	Year 5	Amount More/Less Than New Truck
<b>Keep Current Truck</b>						
Keep Truck Cash	\$130,000.00	\$174,000.00	\$218,000.00	\$262,000.00	\$306,000.00	-\$2,780.00
Keep Truck Value	\$27,000.00	\$26,000.00	\$25,000.00	\$24,000.00	\$23,000.00	
Interest on cash (high-yield savings 4.5%)	\$5,850.00	\$7,830.00	\$9,810.00	\$11,790.00	\$13,770.00	
Keep Truck Total Assets	\$162,850.00	\$207,830.00	\$252,810.00	\$297,790.00	\$342,770.00	-\$11,105.10
Net Income before repairs & fuel	\$118,200.00	\$118,200.00	\$118,200.00	\$118,200.00	\$118,200.00	
Repairs	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	
Fuel Costs	\$44,200.00	\$44,200.00	\$44,200.00	\$44,200.00	\$44,200.00	
Additional Insurance Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Keep Truck Annual Total Saved	\$44,000.00	\$44,000.00	\$44,000.00	\$44,000.00	\$44,000.00	
<b>Keep Truck Total Net Value</b>	<b>\$206,850.00</b>	<b>\$251,830.00</b>	<b>\$296,810.00</b>	<b>\$341,790.00</b>	<b>\$386,770.00</b>	<b>-\$31,425.10</b>
<b>Buy New Truck</b>						
New Truck Cash	\$0.00	\$80,570.00	\$158,390.00	\$233,460.00	\$308,780.00	
New Truck Value	\$156,000.00	\$124,800.00	\$93,600.00	\$62,400.00	\$31,200.00	
Interest on cash (high-yield savings 4.5%)	\$0.00	\$3,625.65	\$7,127.55	\$10,505.70	\$13,895.10	
New Truck Total Assets	\$156,000.00	\$208,995.65	\$259,117.55	\$306,365.70	\$353,875.10	
Net Income before repairs & fuel	\$135,700.00	\$135,700.00	\$135,700.00	\$135,700.00	\$135,700.00	
Repairs	\$13,750.00	\$16,500.00	\$19,250.00	\$19,000.00	\$30,000.00	
Fuel Costs	\$40,180.00	\$40,180.00	\$40,180.00	\$40,180.00	\$40,180.00	

Additional Insurance Costs	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	
New Truck Annual Total Saved	\$80,570.00	\$77,820.00	\$75,070.00	\$75,320.00	\$64,320.00	
<b>New Truck Total Net Value</b>	<b>\$236,570.00</b>	<b>\$286,815.65</b>	<b>\$334,187.55</b>	<b>\$381,685.70</b>	<b>\$418,195.10</b>	
<b>Lease Truck</b>						
Lease Truck Cash	\$130,000.00	\$174,690.00	\$216,630.00	\$255,820.00	\$295,260.00	<b>-\$13,520.00</b>
Lease Truck Value	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Interest on cash (high-yield savings 4.5%)	\$5,850.00	\$7,861.05	\$9,748.35	\$11,511.90	\$13,286.70	
<b>Lease Truck Total Assets</b>	<b>\$135,850.00</b>	<b>\$182,551.05</b>	<b>\$226,378.35</b>	<b>\$267,331.90</b>	<b>\$308,546.70</b>	<b>-\$45,328.40</b>
Net Income before repairs & fuel	\$135,700.00	\$135,700.00	\$135,700.00	\$135,700.00	\$135,700.00	
Repairs	\$13,750.00	\$16,500.00	\$19,250.00	\$19,000.00	\$30,000.00	
Fuel Costs	\$40,180.00	\$40,180.00	\$40,180.00	\$40,180.00	\$40,180.00	
Additional Insurance Costs	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	
Lease Payment	\$35,880.00	\$35,880.00	\$35,880.00	\$35,880.00	\$35,880.00	
Lease Truck Annual Total Saved	\$44,690.00	\$41,940.00	\$39,190.00	\$39,440.00	\$28,440.00	
<b>Lease Total Net Value</b>	<b>\$180,540.00</b>	<b>\$224,491.05</b>	<b>\$265,568.35</b>	<b>\$306,771.90</b>	<b>\$336,986.70</b>	<b>-\$81,208.40</b>

**Description:**

This spreadsheet estimates the 5-year revenue accumulation from three different business management decisions: 1) keeping current truck, 2) buying a new truck, and 3) leasing or financing a new truck.

**Row descriptions and assumptions:**

Row 6, Keep Truck Value - Used actual trade-in value for truck. Assumed value would decrease by \$1000 per year for next five years

Row 9, Net Income before repairs & fuel - Used actual net income through June for 2023 and multiplied by 2 to estimate the full year's net income.

Row 10, Repairs - Used actual repairs through June 2023 to estimate full year.

Row 11, Fuel Costs - Used actual fuel costs through June 2023 to estimate full year.

Row 18, New Truck Value - Used actual purchase price. Assumed 20% depreci; Created by: EJay Anderson

Row 21, Net Income before repairs & fuel - Used actual income from Row 7 and assumed 15% increase due to better uptime.

Row 22, Repairs - Used my actual repair costs for the old truck to estimate year 4 and year 5. Used Team Run Smart guideline <sup>1</sup> to determine my actual costs were 2.5 times their 2012 estimate. Multiplied Team Run Smart guideline by 2.5 to estimate years 1,2, and 3. All years assume 110,000 miles driven annually.					
Row 23, Fuel Costs - Assumed 10% reduction from fuel costs of old truck					
Row 24, Additional Insurance Costs - Used actual insurance cost increase					
Row 30, Assumed no value at end of lease term, however this may vary depending on the lease.					
Row 37, Lease Payment - Used actual value of truck plus 15% interest to determine lease amount for five year term.					
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