



## Consumer Federation of America

FOR IMMEDIATE RELEASE  
Tuesday, February 3, 2009

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### **DESPITE \$1.90 PUMP PRICE, A LARGE MAJORITY OF AMERICANS REMAIN CONCERNED ABOUT GAS PRICES AND OIL IMPORT DEPENDENCE**

#### **New Survey Shows Intention to Purchase Cars with Much Higher Fuel Economy**

Washington, D.C. -- According to the latest Consumer Federation of America (CFA) energy survey, despite the decline of pump prices from \$3.50 in April 2008 to \$1.90 today, a large majority of Americans remain concerned, most greatly so, about gas prices (76%) and dependence on Middle-Eastern oil (76%). Moreover, in their next car purchase, they intend to buy a vehicle with fuel economy averaging five miles per gallon greater than the mileage of their current vehicle.

"The persistence of great concern about gas prices and dependence on oil imports shows a strong base of public support for significant improvements in motor vehicle fuel economy," said CFA Research Director and energy expert Mark Cooper.

"Despite pump prices averaging less than \$2.00, Americans still plan to significantly increase the fuel economy of their cars when they make their next purchase," noted CFA Public Affairs Director and car expert Jack Gillis, longtime author of *The Car Book*.

Between February 2005 and January 2009, CFA has commissioned seven energy surveys undertaken by the Opinion Research Corporation. Each survey included a representative sample of more than 1,000 adult Americans and had a margin of error of plus or minus three percentage points.

Each survey has asked the question: "Thinking about the next five years, how concerned, personally, are you about the following three issues -- gasoline prices, U.S. dependence on Mid Eastern oil and global warming?" As Table 1 below shows, public opinion on these issues has varied little. On both gas prices and oil import dependency, large majorities have expressed concern and majorities great concern (except in the October 2006 survey when great concern on both issues dipped to 48%). On global warming, from May 2005 (the second survey) on, a majority have expressed concern.

In April 2008 and this past month, survey respondents were also asked the likely gas mileage of the next motor vehicle they plan to purchase. Their response (sample average) was 30 mpg last year and 29 mpg this past month even though the price of gas dropped from \$3.50 in April 2008 to \$1.90 in January 2009. In both surveys, they reported that their current vehicles got 24 mpg.

Apparently, one reason they intend to purchase a more fuel efficient vehicle is their attitude towards future gas prices. Future car purchasers estimated that gas would be \$3.07 per gallon (sample average) when they made their purchase, with only 7 percent saying it would be under \$2.00. "Nearly all Americans expect gas prices to increase in the future," said CFA's Cooper.

"Unfortunately, consumers are going to be sorely disappointed when they look at the 2009 models. Currently, of the nearly 1,200 2009 models with an EPA mpg rating, only 1.4% get over 30 miles per gallon. Five years ago, there were more vehicles with over 30 mpg than in 2009 (20 in 2005 vs. 17 today)," said Gillis. See Table 2 below.

When asked whether they are driving more or less than a year ago, despite much lower gas prices today, 37 percent said less, and only 15 percent more, with 44 percent saying "about the same."

"At least to date, Americans view low gas prices as an aberration," said Gillis. "Expecting higher gas prices in the future, they are adjusting their driving habits as well as planning to purchase more fuel efficient vehicles," he added. "Stronger fuel efficiency standards not only respond to clear consumer expectations but will be critical to the survival of the U.S. auto industry," said Gillis.

Table 1: Public Concern about Various Energy Issues (great concern in parentheses)

	Gasoline Prices	Mid Eastern Oil Dependency	Global Warming
January 2009	76% (60%)	76% (60%)	55% (40%)
April 2008	85 (73)	76 (60)	52 (37)
July 2007	82 (65)	74 (52)	61 (46)
October 2006	67 (48)	64 (48)	51 (36)
May 2006	81 (67)	73 (54)	54 (38)
August 2005	86 (74)	75 (56)	55 (31)
February 2005	81 (65)	70 (50)	49 (33)

Table 2:

<b>2005-2009 Combined Fuel Economy Ratings Comparison using the Consumer Federation of America's Mileage Rating System (MRS)</b>											
<b>Mileage Rating Scale</b>		<b>2005</b>		<b>2006</b>		<b>2007</b>		<b>2008</b>		<b>2009</b>	
Rating	Miles per Gallon	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Excellent	Over 40 MPG	7	0.6%	4	0.4%	2	0.2%	2	0.2%	2	0.2%
Good	30-39 MPG	13	1.2%	7	0.7%	7	0.6%	11	0.9%	15	1.3%
Above 30		20	1.8%	11	1.0%	9	0.8%	13	1.1%	17	1.4%
Fair	20-29 MPG	411	36.7%	385	35.8%	431	36.4%	437	36.5%	440	37.2%
Poor	Under 20 MPG	690	61.6%	680	63.2%	744	62.8%	748	62.4%	725	61.3%
Totals		1121	100.0%	1076	100.0%	1184	100.0%	1198	100.0%	1182	100.0%

Totals for each year include all vehicles with EPA fuel economy estimates from 2005 to 2009. Combined fuel economy estimates were calculated using the EPA estimate of 55% city and 45% highway driving. 2005-2007 MPG ratings were converted to the 2008 EPA rating, which factors in faster speeds and acceleration, air conditioner use, and colder outside temperatures, using the calculator provided by EPA.

#### Consumer Federation of America's Mileage Rating Scale (MRS)

CFA developed the MRS as an easy way for consumers to identify better performing vehicles and to monitor industry improvements. This scale indicates which vehicles get "Excellent" mileage of 40 miles per gallon and above, "Good" mileage of 30-39 mpg, "Fair" of 20-29 mpg and "Poor" mileage getting under 20 mpg.

*CFA is a nonprofit association of some 300 consumer groups that, since 1968, has sought to advance the consumer interest through research, advocacy, and education.*