

Consumer Federation of America

FOR IMMEDIATE RELEASE March 16, 2011

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CFA SURVEYS REVEAL RECORD PUBLIC CONCERN, ESPECIALLY BY THE MIDDLE CLASS, ABOUT GAS PRICES AND DEPENDENCE ON OIL IMPORTS

By Nearly a Two-to-One Margin, Public Supports 60 MPG Fuel Economy Standard for Automobiles

Washington, DC – This morning, in a year when average household spending on gasoline is likely to be the highest ever, the Consumer Federation of America (CFA) released a report containing findings from a recent public opinion survey on oil-related issues and an analysis of the impact of rising gasoline prices on household budgets.

From 2005 until earlier this month, the Consumer Federation of America commissioned eleven surveys with two questions about consumer concern about gasoline prices and dependence on Middle Eastern oil imports. In the most recent survey, undertaken by Opinion Research Corp, respondents indicated much higher concerns than in previous surveys, with great concern (5 on a 1-5 scale) at 79 percent for gas prices and 74 percent for oil imports. In the ten previous surveys, the highest number for great concern about gas prices was 75 percent, while for oil imports it was only 60 percent.

In the same survey, respondents also expressed considerable support for much higher motor vehicle fuel economy standards. When asked whether "the federal government should increase the [fuel economy] standard to 60 miles per gallon by 2025," by nearly a two-to-one margin (63% vs. 33%) they said yes.

Concern about gas prices and support for higher fuel economy was especially strong among middle-class families with incomes of \$25,000 to \$75,000. In this group, 84 percent expressed great concern about gas prices, and 70 percent supported a 60 mpg fuel economy standard.

"The great concern about gas prices reflects not just rising prices and political instability in the Middle East, but also adverse impacts on household budgets," said Stephen Brobeck, CFA's Executive Director. "Low- and middle-income Americans are now spending more money each month on gasoline than on their car payments," he added.

These adverse impacts were documented in the CFA report. Average household expenditures for gasoline are projected to exceed \$2,800, which would represent the largest annual expenditure ever.

These financial impacts reflect both rising gas prices and the continuing recession for many low- and middle-income families. The price of \$3.57, which the Energy Information Administration reported last week, is the highest ever for this time of year. If ElA's projection of \$3.56 for the annual average proves to be correct, this will be the most costly year for consumer spending on gasoline in U.S. history.

"The public support for dramatically higher fuel economy standards is backed up by our own economic analysis, and that prepared by federal agencies, that show a 60 mile per gallon standards is economically practicable, technologically feasible, and good for consumers," said Mark Cooper, CFA's Research Director. "Americans increasingly understand that the only effective way to free ourselves from rising oil prices and dependence on unfriendly, unstable oilexporting countries is to reduce oil consumption," he added.

The survey was conducted by Opinion Research Corp March 3-6 using a representative sample of 1011 adult Americans. The margin of error is plus or minus three percentage points.

The CFA report can be found at: <u>http://www.consumerfed.org/pdfs/Gasoline-Prices-and-Expenditures-Report-3-16-11.pdf</u>

The Consumer Federation of America is an association of nearly 300 nonprofit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education.