

# Better Fuel Economy, Better Cars

## BENEFITS OF FUEL ECONOMY STANDARDS

### SAVES CONSUMERS MONEY

Even with low gas prices, fuel economy standards save thousands of dollars per car, and even more for light-duty trucks. Most new car buyers who finance their vehicles will start saving in the first month of ownership.

### INCREASES CONSUMER CHOICES

Consumers want more efficient vehicles in all segments, and modern fuel economy standards preserve and enhance consumer choice. Fuel economy standards encourage improvement across vehicle classes so each segment is likely to see improved models.

### IMPROVES OWNER SATISFACTION

Higher fuel efficiency is linked to higher owner satisfaction, as shown by research from Consumers Union. The positive correlation was identified for owners of both cars and trucks and controlled for other vehicle characteristics like horsepower, reliability and price.



### BACKGROUND

In 2012, automakers agreed to significantly improve the fuel efficiency of cars and trucks by 2025 with the goal of raising their fleet-wide fuel economy average by about 10 miles per gallon. For consumers, this means that the average efficiency for a vehicle purchased in 2025 will be about 40 miles per gallon on the MPG window label.

As part of the process for finalizing the 2022-2025 standards, the government conducted a midterm evaluation to determine if the standards were still feasible based on technological assessments and market conditions. After a thorough analysis, the Environmental Protection Agency and the California Air Resources Board determined that automakers could achieve the standards set for 2025 without adjustments.

Since initial agreement, automakers have made important progress. The average fuel economy of cars and trucks has increased 12.5% since 2012. In fact, automakers have produced vehicles that are outperforming their standards by several years - including cars and trucks on sale today that meet 2020 and 2021 standards.



# FUEL ECONOMY FACTS

## Fuel economy standards can be met even if consumers buy more SUVs and trucks.

Auto industry representatives mislead the public when they claim that recent consumer preferences for larger vehicles means the standards can't be met. The standards are actually "footprint-based", meaning that the fuel economy targets adjust depending on the types of vehicles actually sold. Large vehicles lower targets, making it possible for automakers to comply even if they sell more SUVs and trucks. And automakers have exceeded their targets despite the shift to larger vehicles.

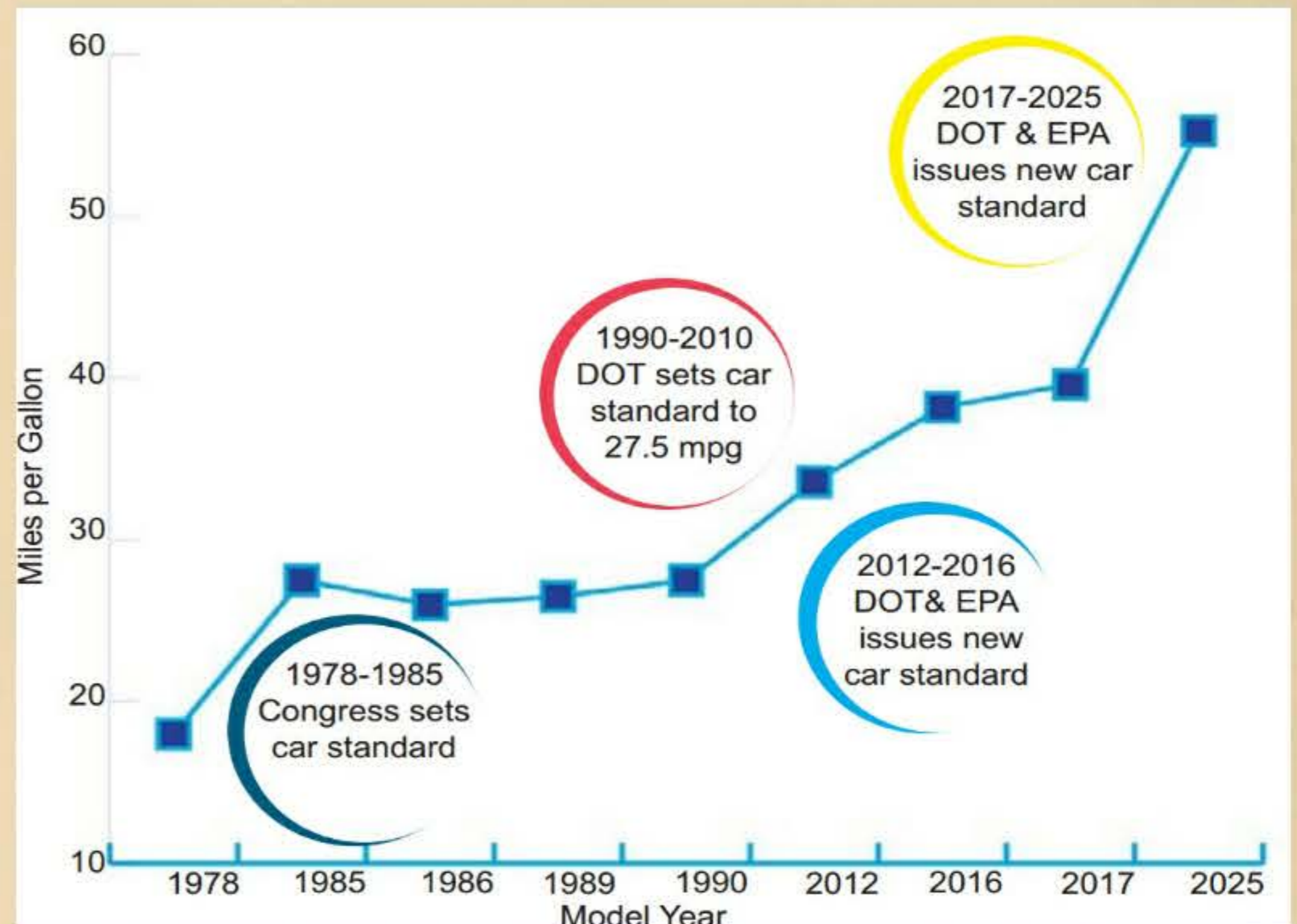
## Fuel efficiency technology pays for itself in short order.

While vehicle costs may initially rise due to new fuel saving technologies, the costs are recouped quickly. For consumers who finance their vehicles, cost savings from lower gas consumption occur in the first month of ownership. Low-income consumers spend a disproportionately high share of their income on fuel costs, so fuel savings are even more valuable to them. Used car buyers (the majority of buyers) also benefit from improving fuel economy.

## Meeting the 2025 fuel economy standards will come primarily from improvements to traditional gas engines.

Contrary to automaker claims, a recent federal report forecast that only minor adoption of hybrid electric vehicles would be required to comply with fuel economy standards. There are many new technologies that will drive the next wave of more fuel efficient vehicles. Improvements to internal combustion engines are expected to be the main compliance pathway for most automakers. But, while electric vehicles, aren't necessary for compliance, they do offer additional consumer fuel savings, more vehicle options and other benefits.

## LIGHT-DUTY VEHICLE STANDARDS TIMELINE



Huge progress has been made on the efficiency of the passenger vehicle fleet, and greater improvement is on the horizon thanks to strong fuel economy targets and new developments in technology. Automakers are already beating current standards and have lots of flexibility to meet future targets.

## Consumers benefit from higher fuel economy even when gas prices remain low.

Consumers Union research found that even in an era of low gas prices, new vehicle buyers can expect thousands of dollars in savings over the life of a car or truck. If prices do go back up, consumers can expect to save even more.

## Ownership satisfaction increases with better fuel economy when comparing similar vehicles.

Automakers claim the consumer shift to large vehicles indicate they don't care about fuel economy. However, according to a recent Consumers Union analysis of one million vehicle owners, fuel economy was just second to vehicle reliability in factors that influence owner satisfaction, regardless of vehicle size. Safety, fuel economy, performance and reliability have all been improving, and strong fuel economy standards build on that progress.

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