



## Coping with the High Cost of Gasoline

It was a little more than three years ago that FFEF created a newsletter about coping with the high cost of gasoline. As we all witnessed gas prices surpass the \$4.00 mark by June 2008, it was obvious we were in for a long summer. That problem seemed to fade into the background as prices lowered, leveled out, and we got used to the idea that paying over \$2.50 per gallon was the new normal. Prices nearly reached that number again in May 2011, and per the AAA, the average gas price in the United States is \$3.374 per gallon as of today, January 9, 2012. The question is, "What will the price spike to in 2012?"

Recently, Patrick DeHann, a Petroleum Analyst with GasBuddy.com, stated, "In three of the last seven years, the spread between the yearly

starting price and the peak exceeded \$1 per gallon, and only once in the past seven years was the spread below .82 cents per gallon. . . . While past performance is no indication of future prices, if the national average doesn't move closer toward or under \$3 per gallon by the year's end, we could be paying over \$4/gal next spring." It's easy to feel helpless in situations like this; that there's nothing we can do to minimize the impact on our pocketbooks. But the truth is, there are things each of us can do to reduce fuel consumption, allowing us to save money while we're working our way out of debt. This issue of Dollars & Sense provides practical information and tips on how you can consume less gasoline and save money as you keep advancing toward your financial goals. ■

## Get Used to Higher Gas Prices and Find Ways to Consume Less

According to the U.S. Department of Energy's Energy Information Administration (EIA), the cost of crude oil accounts for about 7% of the gasoline pump price. As we all too painfully know, the cost of crude oil for U.S. refiners reached a record high in early summer 2008 (as did retail gasoline prices) due mainly to high worldwide oil demand relative to supply. Other contributing factors included political events and conflicts in some major oil producing regions, and other factors.

Almost all of the cars and trucks we drive run on fuels derived from oil. Oil is a non-renewable resource, and while there is some debate as to how long this resource will last, we will eventually have to find new ways to power highway vehicles. Until other alternatives are developed, it makes sense to use fossil resources such as oil more efficiently to buy time to develop new and better energy sources and to make the transition to these sources smoother and less expensive.

Here are some tips provided by the EIA to help you reduce the amount of gas you use. If you are already following these tips, you are probably getting the best gas mileage your car can deliver.

*(Continued on page 2)*

### Get Used to Higher Gas Prices *(Continued from page 1)*

The stated costs savings are based on an assumed fuel price of \$3.74/gallon.

**Drive Sensibly**--Aggressive driving (speeding, rapid acceleration, and braking) wastes gas. It can lower your gas mileage by 33% at highway speeds and by 5% around town. Continuous up and down acceleration and braking also squanders fuel. Sensible driving is also safer for you and others, so you may save more than gas money.

- Fuel Economy Benefit: 5% to 33%
- Equivalent Gasoline Savings: \$0.19-\$1.23/gallon

**Observe the Speed Limit**—While each vehicle reaches its optimal fuel economy at a different range of speed, gas mileage usually decreases rapidly at speeds above 60 miles per hour (mph).

You can assume that each 5 mph you drive over 60 mph is like paying an additional \$0.26 per gallon for gas. Observing the speed limit is also safer.

- Fuel Economy Benefit: 7% to 23%

- Equivalent Gasoline Savings: \$0.26-\$0.86/gallon

**Remove Excess Weight**—Avoid keeping unnecessary items in your vehicle, especially heavy ones. An extra 100 pounds in your vehicle could reduce your MPG by up to 2%. The reduction is based on the percentage of extra weight relative to the vehicle's weight and affects smaller vehicles more than larger ones.

- Fuel Economy Benefit: 1% to 2% per 100 lbs
- Equivalent Gasoline Savings: \$0.04-\$0.07/gallon

**Avoid Excessive Idling**—Idling gets 0 miles per gallon. If you are stopped in traffic, turn the vehicle off; don't sit there and idle for ten minutes. Avoid drive-through windows with long lines. Park the car and go inside the business. Cars with larger engines typically waste more gas at idle than do cars with smaller engines.

**Use Cruise Control**—Using cruise control on the highway helps you maintain a constant speed and, in most cases, will save gas.

### Consider Alternative Fuel Vehicles (AFVs) and Hybrid Electric Vehicles

Certain cars operate on alternative fuels, such as methanol, ethanol, compressed natural gas, liquefied petroleum gas, electricity, and others designated by the DOE. Using these alternative fuels in vehicles may reduce harmful pollutants and exhaust emissions. FTC Rules require labels on all new AFVs to give the vehicle's estimated cruising range and general descriptive information. Find out how many miles a new AFV travels on a tank or supply of fuel because, gallon for gallon, some don't travel as far as gasoline-powered vehicles. Hybrid Electric Vehicles offer another option for car buyers. According to the DOE and EPA, these vehicles combine the benefits of gasoline engines and electric motors and can be configured to achieve different objectives, such as improved fuel economy and increased power. ■

**Use Overdrive Gears**—When you use overdrive gearing, your car's engine speed goes down. This saves gas and reduces engine wear.

**Keep Your Engine Properly Tuned**—If you perform regular maintenance checks you can save money. Fixing a car that is noticeably out of tune or has failed an emissions test can improve its gas mileage by an average of 4%, though results vary based on the kind of repair and how well it is done. Fixing a serious maintenance problem, such as a faulty oxygen sensor, can improve your mileage by as much as 40%!

- Fuel Economy Benefit: 4%
- Equivalent Gasoline Savings: \$0.15/gallon

**Check and Replace Air Filters Regularly**—Replacing a clogged air filter can improve your car's gas mileage by as much as 10%. Your car's air filter keeps impurities from damaging the inside of your engine. Not only will replacing a dirty air filter save gas, it will protect your engine.

- Fuel Economy Benefit: up to 10%
- Equivalent Gasoline Savings: up to \$0.37/gallon

**Keep Tires Properly Inflated**—You can improve your gas mileage by around 3.3% by keeping your tires inflated to the proper pressure. Under-inflated tires can lower gas mileage by 0.4% for every 1 psi drop in pressure of all four tires. Properly inflated tires are safer and last longer.

- Fuel Economy Benefit: up to 3%
- Equivalent Gasoline Savings: up to \$0.11/gallon

**Combine Errands**—Combining errands into one trip saves you time and money. Several short trips taken from a cold start can use twice as

*(Continued on page 4)*

## “Gas-Saving” Products: Fact or Fuelishness?

Yes, gas prices are up, and so is the volume of advertising for “gas-saving” products. When gasoline prices rise, consumers often look for ways to improve fuel efficiency. While this issue of Dollars & Sense is devoted to providing practical steps for coping with high fuel costs, the Federal Trade Commission ([www.ftc.gov](http://www.ftc.gov)) warns you to be wary of any gas-saving claims for automotive devices or oil and gas additives. Even for the few gas-saving products that have been found to work, the savings have been small.

### “Gas-Saving” Advertising Claims

Be skeptical of the following kinds of advertising claims.

1. “This gas-saving product improves fuel economy by 20 percent.” Claims usually tout savings ranging from 12 to 25 percent. However, the Environmental Protection Agency (EPA) has evaluated or tested more than 100 alleged gas-saving devices and has not found any product that significantly improves gas mileage. In fact, some “gas-saving” products may damage a car’s engine or cause substantial increases in exhaust emissions. The gas-saving products on the market fall into clearly defined categories. Although the EPA has not tested or evaluated every product, it has tried to examine at least one product in each category.

2. “After installing your product on my car, I got an extra 4 miles [6.4 kilometers] per gallon [3.8 liters].” Many ads feature glowing testimonials by satisfied customers. Yet, few consumers have the ability or the equipment to test for precise changes in gas mileage after installing a gas-saving product. Many variables affect fuel consumption, including traffic, road and weather conditions, and the car’s condition.

As the FTC explains, one consumer sent a letter to a company praising

its “gas-saving” product. At the time the product was installed, however, the consumer also had received a complete engine tune-up—a fact not mentioned in the letter. The entire increase in gas mileage attributed to the “gas-saving” product may well have been the result of the tune-up alone. But from the ad, other consumers could not have known that.

3. “This gas-saving device is approved by the Federal government.”

Please keep in mind that no government agency endorses gas-saving products for cars. The most that can be claimed in advertising is that the EPA has reached certain conclusions about possible gas savings by testing the product or by evaluating the manufacturer’s own test data. If the seller claims that its product has been evaluated by the EPA, ask for a copy of the EPA report, or check [www.epa.gov](http://www.epa.gov) for information. In some instances, false claims of EPA testing or approval have been made. ■

## 10 Good Habits for Saving Money on Gas

Writing for Bankrate.com, Cynthia E. Brodrick recommends these additional tips for stretching your gas money:

- Buy the lowest grade (octane) of gasoline that is appropriate for your car. Check your owner’s manual for this information. As long as the engine doesn’t knock or ping, the fuel you’re using is fine. You can save hundreds of dollars a year.
- Pay cash at stations that charge extra for credit cards.
- Don’t top off the gas tank. Too much gas will just slosh or seep out. Why waste those extra pennies?
- Tighten up that gas cap. Make sure it’s on securely. Buy a new one if your current cap doesn’t fit snugly. Gas easily evaporates from the tank if it has an escape.
- Be smart with the air conditioning. On the highway, closed windows decrease air resistance, so run the air conditioner. But in stop-and-go traffic, shutting off the air conditioning and opening the windows can lighten your fuel use. Air conditioning can lower your fuel economy by 10% to 20%.
- Lighten up on the accelerator. The faster you drive the more gas you use. Speed limits have gone up around most of the nation, but you don’t have to see your fuel consumption go up drastically as well. For example, driving at 55 mph rather than 65 mph can improve your fuel economy by two miles per gallon.
- Don’t rest your left foot on the brake. The slightest pressure could cause a drag that will demand additional gas use -- and wear out the brakes sooner.
- Remove snow tires in good weather. Deep tread and big tires use more fuel.
- Avoid long warm-ups. Even on cold winter mornings, your car doesn’t need more than a minute to get ready to go. Anything more and you’re just burning up that expensive fuel.
- Drive intelligently; don’t make fast starts or sudden stops. You’re just overexerting your engine and burning extra fuel. Gradual acceleration also helps automatic transmissions run better. Engine-revving wastes fuel, too. ■

### A Lesson from 2008

When it comes to saving money on gas, selecting which vehicle to purchase is the most important fuel economy decision you'll make. Consider this. The difference between a car that gets 20 MPG and one that gets 30 MPG amounts to \$935 per year (assuming 15,000 miles of driving annually and a fuel cost of \$3.74). That's \$4,675 extra in fuel costs over five years!

You can save \$200 to \$1,500 in fuel costs each year by choosing the most efficient vehicle that meets your needs. This can add up to thousands

of dollars over a vehicle's lifetime. Fuel-efficient models come in all shapes and sizes, so you don't have to sacrifice utility or size. And as already mentioned, you can also increase the fuel economy of your current vehicle by adopting good driving habits and maintaining your vehicle.

#### Better Fuel Economy Strengthens National Security

We've been hearing it a lot lately. Better fuel economy can reduce our dependence on foreign oil. According to the U.S. Department of Energy's

### Get Used to Higher Gas Prices *(Continued from page 2)*

much fuel as a longer multipurpose trip covering the same distance when the engine is warm. Trip planning ensures that traveling is done when the engine is warmed-up and efficient. With a little planning, you can avoid retracing your route and reduce the distance you travel as well. You'll not only save fuel, but also reduce wear and tear on your car.

**Commuting**—If you can stagger your work hours to avoid peak rush hours, you'll spend less time sitting in traffic and consume less fuel. If you own more than one vehicle, drive the one that gets the best gas mileage whenever possible. Consider telecommuting (working from home) if your employer permits it. If possible, take advantage of carpools and ride-share programs. You can cut your

weekly fuel costs in half and save wear on your car if you take turns driving with other commuters. Many urban areas allow vehicles with multiple passengers to use special High Occupancy Vehicle (HOV) lanes. Also consider using public transit if it is available and convenient for you.

**Traveling**—A roof rack or carrier provides additional cargo space and may allow you to meet your needs with a smaller car. However, a loaded roof rack can decrease your fuel economy by 5 percent. Reduce aerodynamic drag and improve your fuel economy by placing items inside the trunk whenever possible. Avoid carrying unneeded items, especially heavy ones. An extra 100 lbs. in the trunk reduces a typical car's fuel economy by 1% to 2%. ■

Find more great money saving ideas on our web site, [FFEF.org](http://FFEF.org)

Energy Information Administration (EIA), more than half of the gasoline we put in our cars comes from oil imported from other countries. Petroleum imports cost us over \$5.7 billion a week—that's money that could be used to fuel our own economy. Plus burning fossil fuels such as gasoline or diesel contributes to a number of environmental problems. ■

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