Sightline INSTITUTE



Easing off the Gas: Northwesterners Using Less Gasoline

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Roger Valdez, Researcher

SUMMARY

- **We're using less gas.** Gasoline consumption is falling in the Northwest states of Idaho, Oregon and Washington. In 2008, per-person consumption dropped to the lowest level since 1965, and total gasoline consumption had its biggest drop since 1980.
- **Our travel habits are changing.** While gasoline prices have been volatile, declines in gasoline consumption per capita have continued through the fluctuations of the last decade. Last year's dramatic price swings resulted in record-high transit ridership—and for some northwesterners, these changes are sticking.
- **Unemployment is up.** Recession has hit the Northwest hard, and many are out of jobs. Last year's combination of high fuel prices and tight family budgets trimmed fuel consumption dramatically.
- **Smart policies lead to long term progress.** Policy changes—like better transportation alternatives and more-compact urban growth—can sustain momentum toward lower gas consumption.
- **Smart investments give us more choices.** Declining gas consumption and driving have implications for transportation spending. They suggest prioritizing road maintenance and transit investments over highway building.

FINDINGS

For the last decade, northwesterners have paid attention to high gas prices, but last summer's spike made a big impression on drivers. Many combined trips, carpooled, or got on buses, trains, or bikes. Gas consumption plummeted.

Nationwide in the United States, in 2008, Americans consumed about 8.2 gallons of gasoline per week, down from 8.6 gallons in 2007. In the Northwest, the fall in consumption was even more significant, going from 7.8 gallons of gasoline per person per week in 2007 to 7.4 gallons per person per week, a 5 percent drop in one year.

Still, the 2008 drop in gasoline consumption was not solely a response to soaring prices; it was an acceleration of a slide that had been underway for most of the last decade. Per-capita gasoline consumption diminished in the Northwest in eight of the last nine years. The 2008 fall in per-capita Northwest gas consumption was just the largest of these declines.

From 1999 to 2008, northwesterners' per-capita consumption of gasoline fell by 15 percent—from 8.7 gallons a week in 1999 to 7.4 gallons per week in 2008. Northwesterners reduced their consumption by more than 50 gallons per person per year over the period, reaching the lowest per-capita gas usage in the region since 1965 (see Figure 1).

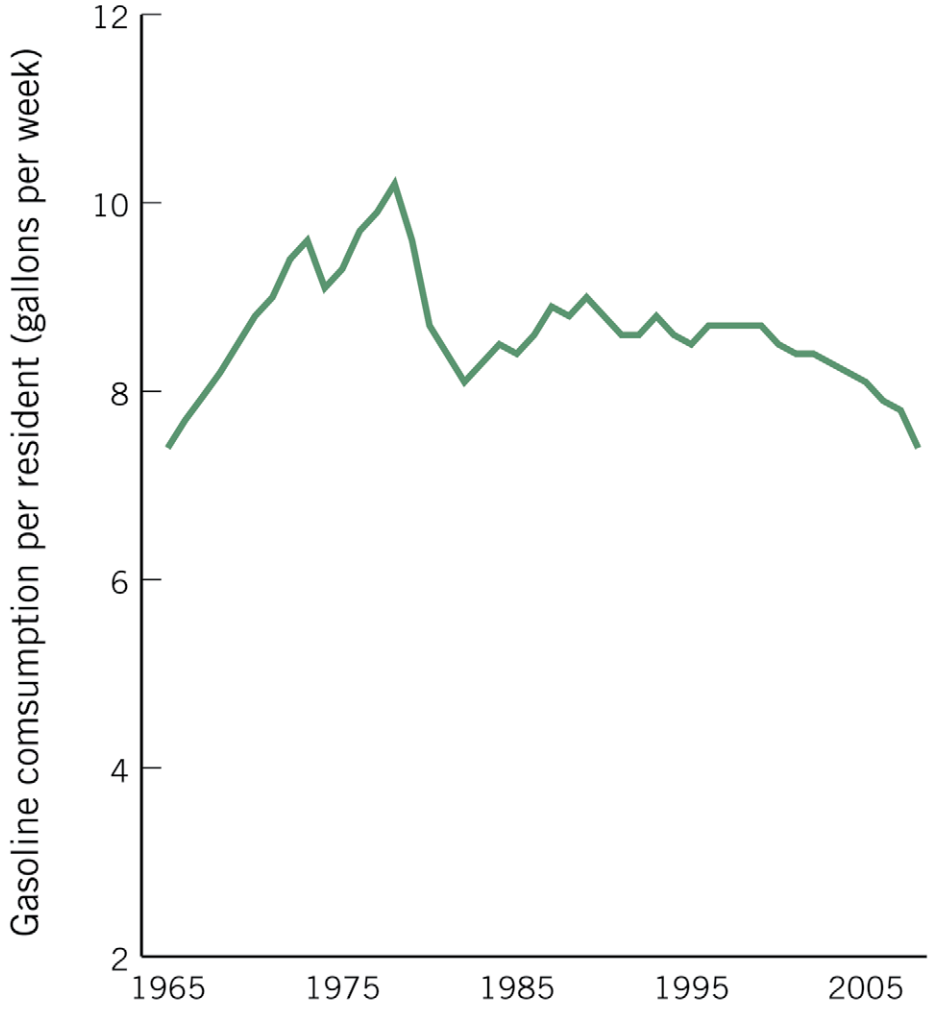

Figure 1. *In 2008, gasoline consumption per Northwest resident fell to its lowest level since 1965.*

In fact, aggregate gas consumption—that is total consumption, not per-capita consumption—declined slightly in eight of the last ten years. (See Figure 2.) The 2008 dip was the most significant one-year decline in overall gasoline consumption since 1980—a 180 million gallon drop. This is the second largest year to year drop in consumption since 1950.

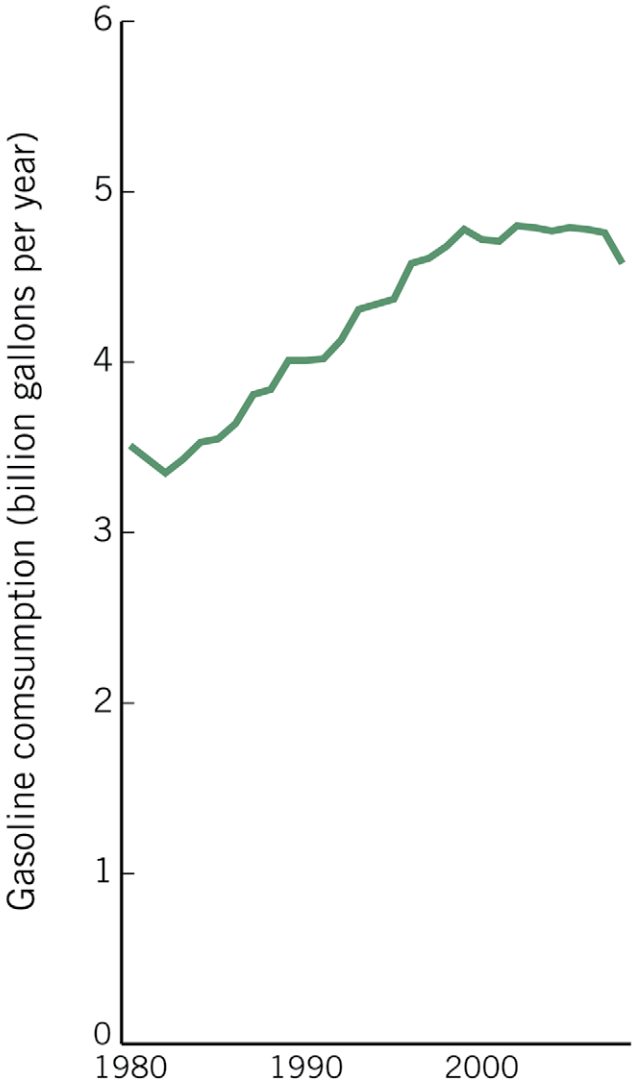

Figure 2. *Total gasoline consumption in the US Northwest is declining.*

How does the Northwest region compare to the rest of the United States? Nationwide, per-person gas consumption fell in 2008 from 8.6 gallons per person per week to 8.2 gallons in 2006 (see Figure 3). In 2008, northwesterners consumed about a half a gallon per person per week less than they did in 2007 (about 20 gallons less per person annually) and a little more than half a gallon per person less than the typical American in 2008. That's about 40 gallons less annually per person than the national average.

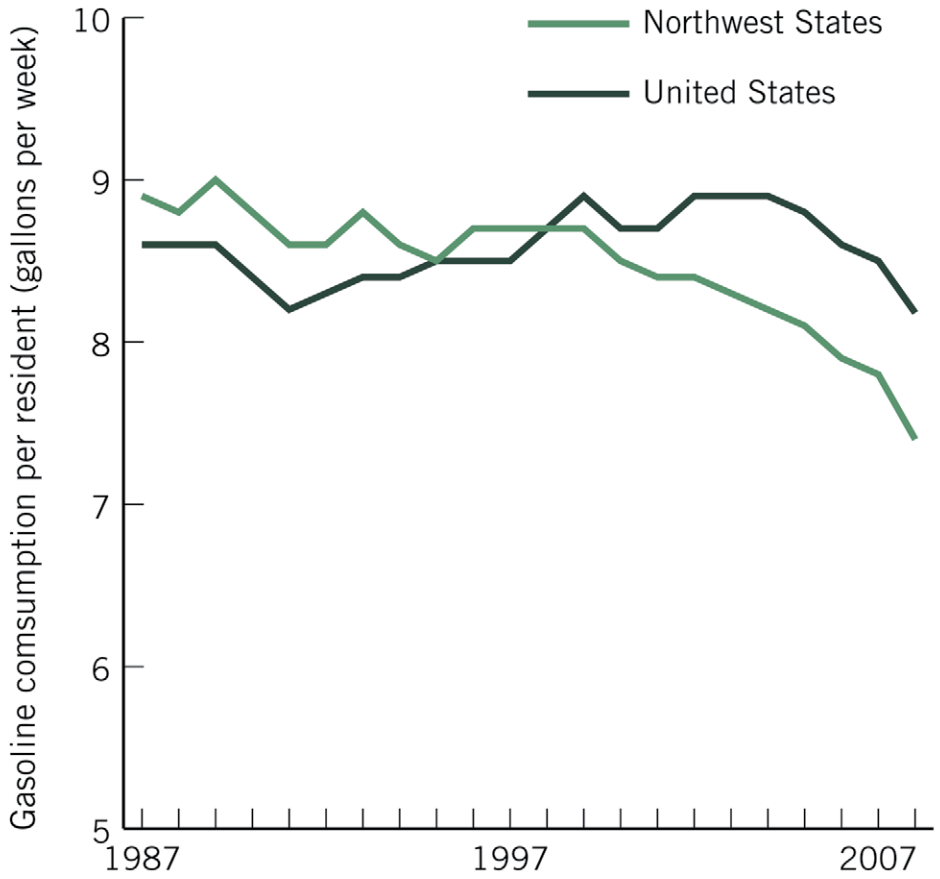

Figure 3. *Per-capita gasoline consumption in the Northwest has been gone from flat to falling.*

National declines in per-person consumption in 2008 and the previous four years have outpaced population growth, leading to a 5 percent decline in total consumption—the first such four-year pause in national growth of gas use in a generation.

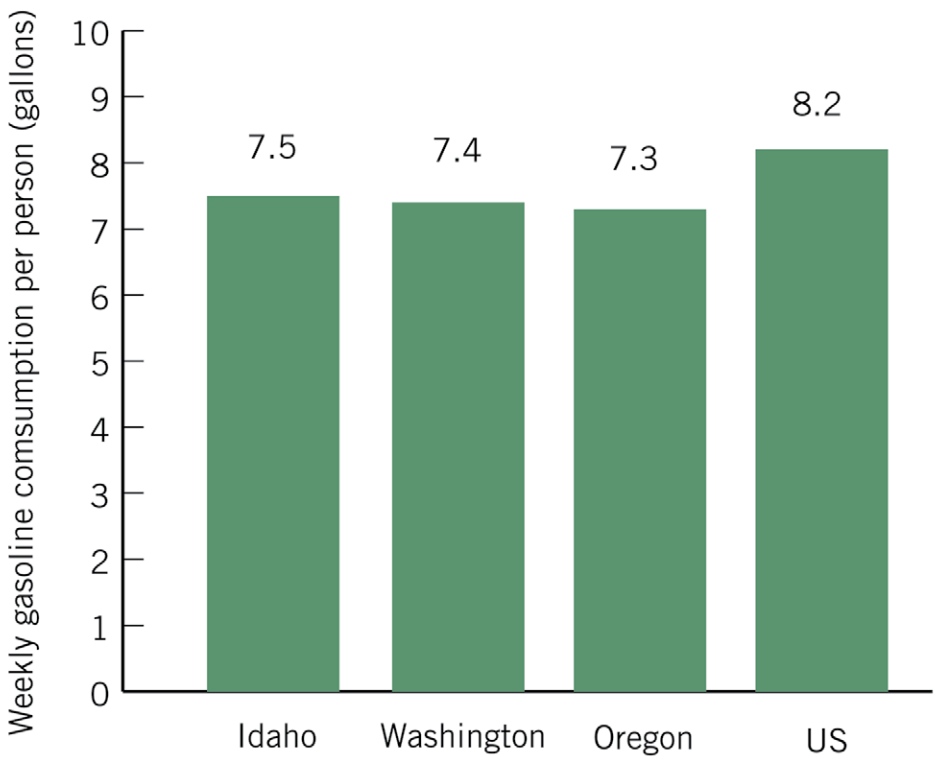

Figure 4. *In 2008, residents of the US Northwest consumed significantly less gasoline per capita than other Americans.*

In the Northwest states, gas use per capita has long been shrinking. It fell below the national average in 1999. By 2008, it was 10 percent lower than the national average.

WHAT DOES 2009 HOLD FOR GASOLINE CONSUMPTION?

Reliable gasoline use data for the first half of 2009 are not yet available, but another indicator—Vehicle Miles Traveled (VMT)—begins to tell us how the story continues beyond 2008's high prices (see Figure 5).

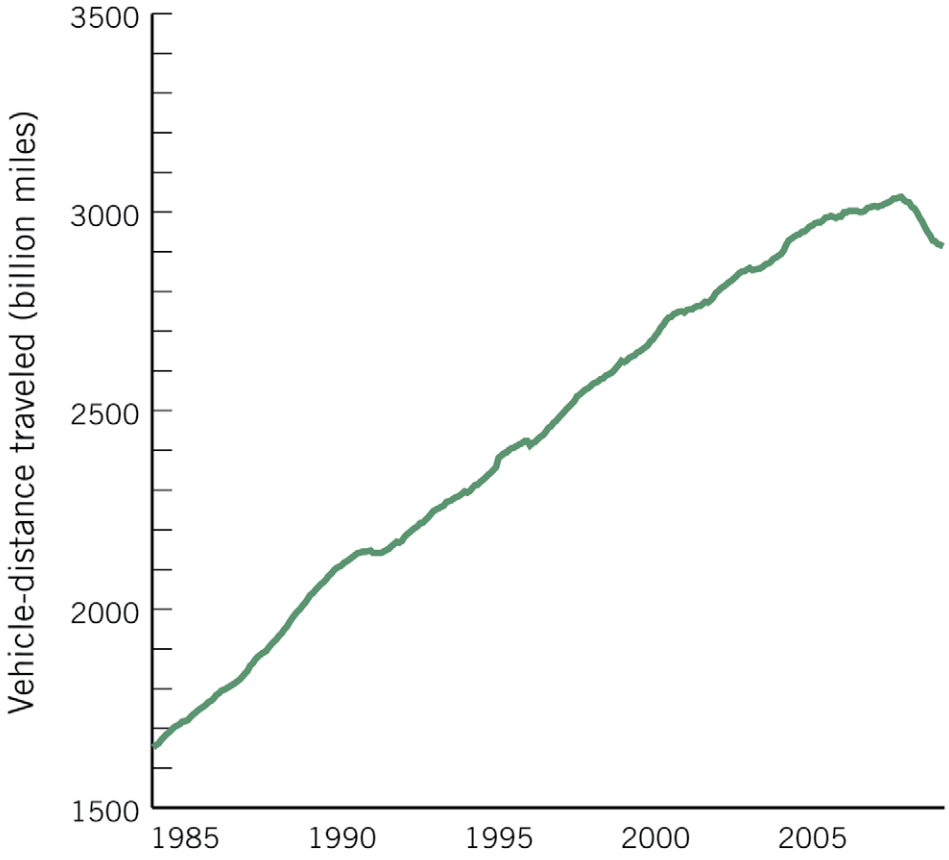

Figure 5. *Vehicle Miles Traveled (VMT) have dropped to 2004 levels as Americans are driving less.*

In early 2009, VMT dropped across the board in the United States.[2]

In the Northwest, total (not per-capita) VMT was down 3.5 percent in the first quarter of 2009 compared to the first quarter of 2008 and 3.3 percent from the first quarter of 2007. In fact, 2009's first quarter VMT dropped to the same level as 2004's first quarter VMT.

ANALYSIS

The main causes of the precipitous decline in gasoline consumption in 2008 were undoubtedly high fuel prices and recession. But because per-capita gas use was slowly shrinking long before prices spiked and the economy faltered, other forces are likely also at work.

Improving transit options, containing sprawl and fostering compact, transit-friendly, walkable neighborhoods; boosting vehicle fuel economy; and implementing transportation innovations can convert 2008's rapid downward turn in gasoline use into an opportunity to accelerate decades' worth of progress against oil dependence.

Four trends help fill out the picture surrounding falling gas consumption in the Northwest. Considered together, they give a sense of what might unfold in 2009 and beyond.

1. **Transit ridership is up.** In 2008, every major transit system in the Pacific Northwest reported record-setting ridership for the second year in a row.

   In greater Seattle, Sound Transit ridership increased by 17 percent in 2008 and ridership was up 8 percent in the first quarter of 2009. Community Transit in Washington's Snohomish County broke previous ridership records in 2008, and King County Metro shattered its previous all-time high of 110 million passenger boardings in 2007 with 118 in 2008.

   A recent report by the Puget Sound Regional Council analyzing increased transit ridership in greater Seattle notes that, "transit ridership was not affected when gas prices went down again" in late 2008.[3]

   In greater Portland, TriMet reported 100 million transit boardings during the 2008 fiscal year, the highest level of transit usage in its history.

   In the United States, transit ridership increased to its highest level in decades. The last three months of 2008 saw the greatest growth in quarterly transit ridership in 25 years—even amid falling gas prices—with 2.8 billion trips taken, an increase of 6.5 percent over the same period in 2007.
2. **Fuel efficiency is up.** The Environmental Protection Agency[4] recently estimated that new-vehicle fuel economy rose by 5 percent from 2004 to 2006. With the Obama administration's increase of CAFE standards to match California's, vehicle efficiency is set to rise further.
3. **Vehicle travel is down.** Highway planners have routinely projected driving to grow relentlessly and have based their highway-building ambitions on this expectation, but VMTs are now falling. The Northwest states' miles driven are close to where they were in March 2004. Northwesterners traveled 643,000 fewer miles in the first quarter of 2009 than they did in the same period in 2007. With driving down, investment in new highway infrastructure can diminish.
4. **Land use and transportation policies are changing.** In Washington State, 2010 marks the 20th anniversary of the Growth Management Act, a set of comprehensive laws enacted to reduce sprawl. Oregon passed its first comprehensive growth management legislation measure, Senate Bill 100, in

1973, which created the Land Conservation and Development Commission. These laws have stood the test of time and reductions in gasoline consumption are an indicator that they are working. A review of several studies by the Victoria Transport Policy Institute on reducing VMT showed that pricing—making it more expensive to drive and less expensive to use alternatives—combined with growth management, has a powerful downward influence on VMT. For example, policies that either charge commuters for parking or give them cash as a rebate if they do not drive to work can have the same effect on VMT as increasing auto costs. One of the studies indicated that these kinds of pricing policies can reduce VMT by a third. Major cities in the Northwest have adopted these kinds of policies along with state growth management solutions that encourage alternative commutes. These policies have likely contributed to the Northwest's reduced driving.

CONCLUSION

Gasoline consumption has stayed flat over the last decade and in 2008 per capita consumption fell by a significantly greater amount than it has in decades. People are using less gasoline per person, driving less, and using transit more. Public policy and investment priority decisions, if they reflect these trends, would put more focus on transit and land use policies that encourage convenient public transportation as well as pedestrian and bike-friendly communities, not large-scale capital projects to create more highway capacity.

Will gasoline consumption continue its rapid decline, freeing the region from an expensive and volatile oil addiction and massive fuel imports, trimming greenhouse gas emissions, and reducing the many environmental and economic impacts of driving? A confluence of forces on the horizon may reinforce existing momentum for fuel saving. A national cap-and-trade system is under discussion in the US Congress. The early 2009 federal stimulus package and the 2009 federal budget both increase public spending on green jobs and energy efficiency. They also ramp up investment in plug-in hybrid electrical vehicles, smart grid, transit, and high-speed trains.

Each of these developments could trim gas use. The convergence of all these trends could move Cascadia toward a more sustainable energy system, in which northwesterners use substantially less gasoline, drive less, and use more transportation alternatives.

DATA SOURCES

For this analysis, gasoline consumption includes all highway consumption of gasoline, including consumption by private households, businesses, transit vehicles, and government agencies. This report does not include British Columbia, because the provincial government has not completed its reporting for 2008. Sightline compiled gasoline consumption data from a variety of sources, including:

The Federal Highway Administration. The FHWA collects, analyzes, and corrects state-level gasoline consumption data for all 50 states and the District of Columbia. Gasoline consumption trends from 1950 through 2007 are taken from final FHWA data from the Highway Statistics Series, tables MF-26 and MF-226. Data for 2008 represent preliminary figures from the Highway Statistics Series, from table MF-21.

State taxation agencies. Idaho, Oregon, and Washington all measure gas consumption closely, for the purpose of collecting state gas taxes.

ENDNOTES

1. Despite per-capita declines over the last decade, total consumption has remained relatively stable because of a growing population (each driver is using less, but there are more drivers overall). In 2008, the per-capita drop significantly outpaced the region's population growth, resulting in a sharp decline in total consumption.
2. Office of Highway Policy Information (OHPI), "Tab 1:Moving 12-Month Total on ALL Roads," Traffic Volume Trends, March 2009 (Washington, DC: US Federal Highway Administration [FHWA])
3. Puget Sound Regional Council(PSRC), Puget Sound Trends, 2009 (Seattle, Washington, 2009)
4. Environmental Protection Agency (EPA), Light-Duty Automotive Technology and Fuel Economy Trends: 1975 through 2007 (Washington, DC: Environmental Protection Agency)

PHOTO CREDITS

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