

## **CAFE Fuel Economy Standards Means More Money In Consumers' Pockets**

*Consumers Union Report Finds Savings Range from \$3,000-7,000 Over the Life of a Vehicle*

Washington, D.C. ([PRWEB](#)) May 06, 2016 -- Most car buyers can expect immediate savings from cars and trucks that comply with the upcoming Corporate Average Fuel Economy (CAFE) standards for Model Year 2025, according to a new report published by Consumers Union, the policy and advocacy arm of Consumer Reports. The report finds that consumers will likely save approximately \$3,000 per car and \$4,200 per truck over the life of the vehicles. In the event gas prices rise again, the net savings will be even higher: \$5,600 per car and \$7,300 per truck. These findings reinforce the value of increasing fuel efficiency standards for new car buyers.

“Consumers often rate fuel economy as a key factor in choosing their next vehicle. This study confirms that increasing fuel efficiency for cars and trucks will result in healthy fuel savings for these buyers,” said Shannon Baker-Branstetter, Energy Policy Counsel for Consumers Union. “By meeting the existing CAFE standards for 2025, automakers will help save consumers money on operating costs and protect them against future gas price shocks.”

The report bases the costs of complying with CAFE 2025 standards on assumed incremental technology costs for new vehicles, as estimated by the National Highway Traffic Safety Administration (NHTSA) and the Environmental Protection Agency (EPA), along with associated insurance and maintenance costs. Fuel savings are based on an analysis of estimates for miles driven using future gasoline prices from the Energy Information Administration.

Additionally, as most consumers finance new vehicle purchases, compliance costs are spread out over the average loan term (between 5-6 years). With annual fuel savings outweighing annualized compliance costs, consumers can expect net positive savings, starting in the first year. Those savings accelerate when loan payments end, typically after year 6.

A few buyers may opt to pay cash for their vehicles. In those cases, net savings increase over the life of the vehicle as a result of factoring out finance charges. However, in this scenario where compliance costs are paid in full at the outset, it may take between 3-5 years for savings to be realized.

“We’re already seeing automakers beating today’s standards, which only underscores the potential for future progress in this space,” said Baker-Branstetter.

A full copy of the report is available online at <http://consumersunion.org/news/cape-fuel-economy-savings/>

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organization. Using its more than 50 labs, auto test center, and survey research center, the nonprofit rates thousands of products and services annually. Founded in 1936, Consumer Reports has over 8 million subscribers to its magazine, website, and other publications.



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