

Michigan

How does our state benefit from federal fuel economy and global warming emissions standards?

Michigan has saved \$1.1 billion to date.

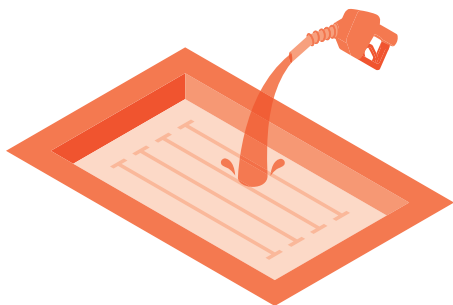
These savings are due to strong fuel economy and global warming emissions standards.



BY 2030

Each household will be \$2,150 richer.

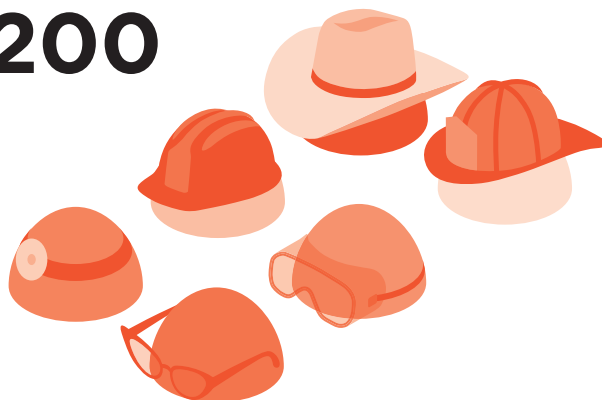
The average household in Michigan will reap this benefit as long as policymakers don't weaken these protections.



The gasoline we save would fill 13,381 Olympic-sized pools.

We can expect 28,200 new jobs.

These standards are saving money for Michigan families—and as those savings are pumped back into the local economy, they'll drive growth and put people to work.



How Michigan Benefits from Federal Fuel Economy and Vehicle Emissions Standards

In 2012, the Environmental Protection Agency (EPA) and National Highway Traffic Safety Administration (NHTSA) set light-duty vehicle standards that will nearly double the efficiency of new cars and light trucks by 2025.

No other federal policy is delivering greater oil savings, consumer benefits, and global warming emissions reductions than these standards. Setting strong standards out to 2025 protects public health and provides the certainty needed to spur investment in new technology, creating jobs and helping to sustain the recovery of the American auto industry.

Consumers get more efficient vehicle choices. Since the standards were first finalized, the fuel economies of new cars and new trucks have each improved by more than 10 percent (EPA 2016). Continued investment in fuel-reduction technologies can keep manufacturers on this pace (ICCT 2017).

Efficiency reduces the impacts of oil use. Cutting fuel use benefits public health and the environment. Locally, these standards eliminate global warming emissions equivalent to twice those from providing electricity to Grand Rapids.

More efficient vehicles lead to savings at the pump. Being able to purchase more efficient vehicles means that consumers spend less at the pump. Even with gas prices well below historical levels, these standards pay for themselves the moment the average new car buyer drives off the lot (Comings, Allison, and Ackerman 2016).

Consumers are already saving nearly \$40 million *each day* in fuel—that's about \$44 billion saved to date, savings that are reinvested in the local economy.

Local economies benefit from fuel savings. While fuel economy regulations only affect new cars, *everyone* benefits. Research shows that standards disproportionately benefit lower-income individuals because a greater share of their income is spent on fuel (Greene and Welch 2016).

Already, the average household has pocketed about \$250 in fuel savings thanks to these rules. Using less gasoline puts more of the nation's household income to work, and lowering fuel

costs for consumers means that any future price increases would affect a smaller share of household spending.

Despite regional differences in population density, vehicle mix, and gas prices, *all* states come out ahead thanks to strong fuel economy standards. Though a more efficient car may cost slightly more upfront, gas savings outweigh that cost by an average of \$2,150 per Michigan household by 2030.

Those financial savings translate into economic growth. The standards will increase GDP by up to \$30 billion by 2030, creating 650,000 full-time jobs (UCS 2016).

The standards eliminate emissions equivalent to twice those from providing electricity to Grand Rapids.

These standards make the auto industry stronger. Today, 288,000 American workers spread across 48 states are making more efficient cars and components (BGA and NRDC 2017)—and that number is slated to grow under these standards (UCS 2016).

Fuel economy standards help manufacturers remain profitable regardless of what happens to fuel prices in the future (Baum and Luria 2016). The standards provide certainty so manufacturers and suppliers can invest in the innovative technologies needed to reduce American oil use.

Certain benefits in an unstable world. Vehicle standards have already led to jobs by creating certainty for manufacturers and putting money back in the hands of consumers. Rolling back these standards puts this progress in jeopardy. In an uncertain world, fuel economy and emissions standards provide stability for consumers and the industry and benefit the nation as a whole. Now is not the time to put that at risk.

**Union of
Concerned Scientists**

FIND THIS DOCUMENT AND REFERENCES ONLINE: www.ucsusa.org/state-mpg-benefits

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