

Charlotte drivers embrace national trend: Vehicles with better fuel economy in demand

by Kathryn Daniel

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With the summer driving season comes a spike in demand for gasoline, and on-the-road Americans have felt the sting of record-high gasoline prices that hit before Memorial Day. The Energy Information Administration's June 10 energy report indicated a national record high of \$3.22 per gallon on May 21. Since, prices have slowly decreased, which the EIA attributes to resolving refinery problems and increased gasoline imports. The average figure now hovers at the \$3-per-gallon mark – still no cause for celebration. Local experts say Charlotte drivers are responding by seeking more fuel-efficient cars and maintaining interest in hybrid vehicles.

Sticker shock

There's a balance between people interested in exchanging their SUVs for smaller, more fuel-efficient automobiles and those wanting hybrids, according to LeeAnn Shattuck, owner of the independent franchise Women's Automotive Solutions. Not affiliated with any single dealer, Shattuck, who has worked for years in the Charlotte auto market, provides an unbiased view on local car-buying trends. She said, "The value of the large SUVs on the secondary market is taking a nosedive. ... We expect it to kind of settle out by the end of the summer.

"When we tell our clients what their trade is worth, they're appalled at how low the number is. These SUVs, they don't hold their value well to begin with; but when gas prices hit \$3, everyone's feeling the sticker shock, and everyone is trying to sell the car and the market is flooded with these SUVs that nobody wants." As the sidebar listing May's top 10 selling vehicles indicates, no SUVs made the list.

Hot hybrids

Leading the hybrid fleet is the Toyota Prius, which celebrates its 10th anniversary this year. The top three hybrid vehicles requested by Shattuck's clients are the Toyota Prius, Toyota Highlander and Toyota Camry. At Scott Clark's Toyota/Scion dealership, owner Scott Clark still cannot keep them on the lot, even as the manufacturer increases supply.

"It (the Prius) was the first one on the market, really," explained Clark. "It's the most fuel-efficient. It burns the cleanest air, and it is a five-passenger car while most are just two-passenger cars." While the owner gets more mileage out of each tank of gas with a hybrid, there are higher maintenance costs as well as decreasing federal tax rebates on new purchases to consider.

Toyota sold more than 24,000 units of the Prius last month nationwide, "the highest sales level yet for the iconic gas-electronic vehicle," according to HybridCars.com. Overall, Prius placed ninth in the top 10 unit sales across the board in May.



Toyota's trio of hybrid vehicles – with the Prius (pictured above left) leading the way – proves tough competition in the hybrid market. In sales, the Camry (lower right) and Highlander (top right) follow the Prius, which gets 60 miles per gallon in the city and 51 on the highway.

If one of Shattuck's clients wants a Prius, she said they are easier to get, but prices will be more expensive. The secondary market proves tougher. "If somebody wants a slightly used Prius, it's going to be a bit harder to find; people are keeping them," said Shattuck.

At the Independence Boulevard dealership, Clark noted Toyota is plowing ahead with hybrid technology. "By 2010, I was told Toyota will have 10 hybrids out," he added.

Wait out pain at the pump?

Increased gasoline supply and decreased costs ... this fairy-tale scenario seems distant. Experts in the field, however, speculate that future investment in alternative energy (like ethanol and hydrogen) and in new U.S. refineries could give drivers their happy ending.

So should Charlotteans simply wait out this gas crunch? Peter Schwarz, professor of economics at UNC Charlotte's Belk College of Business, says that would not be wise, considering what it costs to fill up a vehicle these days. "When it comes time to buy your next car, regardless of what's happening with gas prices, it certainly makes sense to see if you'd be better off getting a car that gets more miles to the gallon," he said. Schwarz, also senior faculty associate for the Global Institute of Energy & Environmental Systems, advised against supporting the U.S. trend of purchasing vehicles with 6- and 8-horsepower engines unless it is truly necessary for the driver's needs. "The miles per gallon have stayed the same while the power of the car has been increasing in about the last two decades," he explained.

But for many lower-income Americans, purchasing a hybrid vehicle is financially out of reach and gas prices cut deep into paychecks. They also are more likely to drive older, less fuel-efficient vehicles, feeling the pinch even more. Creative solutions from employers, Schwarz attested, will be necessary for this segment of society while gas prices are high. Schwarz suggests employers subsidize employees' public transportation costs or provide a carpool option to and from work.

Improve your vehicle's fuel economy

For most people, investing in a new car simply because gas prices are high is out of the question. In the meantime, there are options for increasing a vehicle's fuel economy. University City residents can utilize the free Pump 'Em Up tire inflation station at Duke Centennial Hall off Highway 29. The U.S. Department of Energy estimates that Americans waste at least 4 million gallons of gas each day by driving on underinflated tires. Drivers who don't live near the university can purchase a tire gauge for a few dollars and check tire pressure monthly; information for tires' proper inflation is typically posted on the inside of the driver's door.

Another fairly new option offered by Tire Kingdom and Ingersoll Rand is nitrogen tire inflation. By replacing compressed air (oxygen) with nitrogen, tires will maintain consistent pressures longer and save consumers money at the gas pump by boosting fuel economy up to 4 percent. NASCAR, NASA, the U.S. Military and the commercial airline industry have been using nitrogen in this fashion for more than 30 years.

Fuel conservation efforts like these will remain viable even as more and more Americans embrace hybrid technology. If Charlotte follows suit with The Big Apple – where Mayor Michael Bloomberg has mandated all taxis be hybrids by 2012 – many will be cruising about town in their gas-electronic vehicles in the very near future.