



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 74% 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. Yet the EIA reports that the high prices for petroleum products and relatively weak economic conditions in the U.S. and other countries have helped to reduce demand and prices for crude oil. This has contributed to the recent decline in crude oil and retail gasoline prices.

However, as illustrated in the graph on the next page, the days of cheap gasoline are likely gone for good.

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

Announcement: Our Educational Resources Are Going Green!

In an effort to make our educational materials more accessible to our clients and to continue our goals of becoming a more "green" company, we are now making our training volumes and newsletters available on our web site. Please visit www.accesseducation.org or www.ffef.org for more information. Volume 6 of our Family Financial Education Foundation training series will be made available in August.

If you would prefer to continue having printed materials mailed to you, you must contact a FFEF representative at (888) 292-4333 by July 31, 2009. Thank you in advance for helping us improve our environment. ■

can deliver. 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. Sensible driving is also safer for you and others, so you may save more than gas money.

- Fuel Economy Benefit: 5% to 33%

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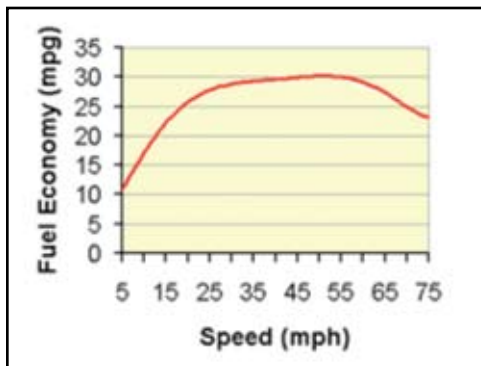
Find Ways to Consume Less (continued from page 1)

- Equivalent Gasoline Savings: \$0.19-\$1.23/gallon

Observe the Speed Limit—While each vehicle reaches its optimal fuel economy at a different speed (or range of speeds), 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. 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.

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—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 pres-

sure 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 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%. ■

A Lesson from Last Summer: Why Would Anyone Drive a Hummer?

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!

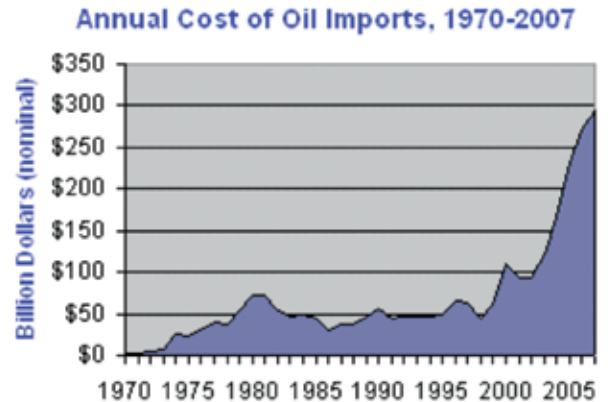
You can save \$200 to \$1,500 in fuel costs each year by choosing the most efficient vehicle that meets your needs. This can add up to thousands of dollars over a vehicle's lifetime. Fuel-efficient models come in all shapes and sizes, so you don't have to sacrifice utility or size. And, as

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 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. ■



Source: EIA, *Annual Energy Review 2007*, Table 3.9, June 2008.

10 Good Habits for Saving Money on Gas

Writing for Bankrate.com, Cynthia E. Brodrick recommends these 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. ■

TIPS & TRICKS

“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) 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.

With gas prices climbing, readers have asked us to weigh in on products that promise better fuel economy. We have tested three. Our advice: Don't waste your money. They don't work. — Consumer Reports

“Gas-Saving” Advertising Claims

Be skeptical of the following kinds of advertising claims.

- “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.

- “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.

- “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 for information. In some instances, false claims of EPA testing or approval have been made.

The Environmental Protection Agency has evaluated scores of new inventions that claim to reduce fuel use and emissions over the last 35 years and have come to the same conclusion on the majority of the devices. They don’t work. If you are interested in their study you can visit <http://www.epa.gov/otaq/consumer/reports.htm>.

The bottom line: The best way to get the best mileage from a tank of gas is to follow the vehicle manufacturer’s service schedule and fine-tune your driving habits. ■

Tip: Can you save money using premium instead of regular gas?

You won’t benefit from using premium gas in a car designed for regular. You won’t get better gas mileage and you won’t go any faster. You’ll just end up spending more money. Check your owner’s manual for the proper grade to use.

Family Financial Education Foundation

ACCESS EDUCATION SYSTEMS

724 Front Street, Suite 340

Evanston, WY 82930

contact: (888) 292-4333

www.ffef.org | info@ffef.org



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