



# FAMILY FINANCIAL MANAGEMENT

Valuing People | Valuing Money

Managing in Tough Times

APRIL 2011

## THIS MONTH'S TOPIC: RISING GAS PRICES

**A**s the price of gas continues to rise, many consumers are looking for ways to save at the pump. Regardless of the type of vehicle you drive, there are certain steps you can take to improve your gas mileage.

According to the United States Department of Energy:

- Aggressive driving can lower your highway gas mileage by 33%. Avoid high speeds, rapid acceleration, and hard braking.
- Think twice before adding a roof rack for recreational activities or summer travel. A loaded roof rack can reduce fuel economy by 5%.
- Follow your manufacture suggestions for recommended maintenance, including using the recommended motor oil. Using a different oil type can reduce your gasoline mileage by 1 to 2%.



- Proper tire inflation can improve your gas mileage by 3.3%. The correct tire pressure for your vehicle can be found either on a sticker on the driver's side door or in the owner's manual.
- Finally, consider getting a tune up. Fixing problems, such as an oxygen sensor, can make a big difference in your miles per gallon, improving MPG by possibly as much as 40%.

Written by: Dr. Jennifer Hunter

Source: U.S. Department of Energy, [www.fueleconomy.gov](http://www.fueleconomy.gov)

## **Consumers have been experiencing *rising prices* at the pump.**

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In recent weeks, consumers have been experiencing rising prices at the pump. Every year gas prices tend to increase during the spring and summer months because of increasing demand. As people start to enjoy the warmer weather by enjoying travel and recreational activities, demand for gasoline increases and so does the price.

However, the price hikes this year are earlier and higher than normally anticipated, due to several world events. It can be difficult to immediately change your lifestyle to adapt to higher gas prices; however, you can reduce your expenditures on gasoline.



- Make a list of your errands before heading out of the house. Plan the errands in order, so that you are not wasting both time and gasoline by driving all over town.
- Clean out your car. Excess weight in a vehicle, truck or bed of a truck can reduce gas mileage.
- If you have a long commute to work, talk with your co-workers about starting a carpool. Many large employers will offer certain benefits for employees who carpool, such as making a vehicle available to employees in case of emergency.
- Review your Spring Break or summer vacation plans. Time off is important, so instead of canceling your trip, take advantage of some of the great vacation spots around Kentucky.

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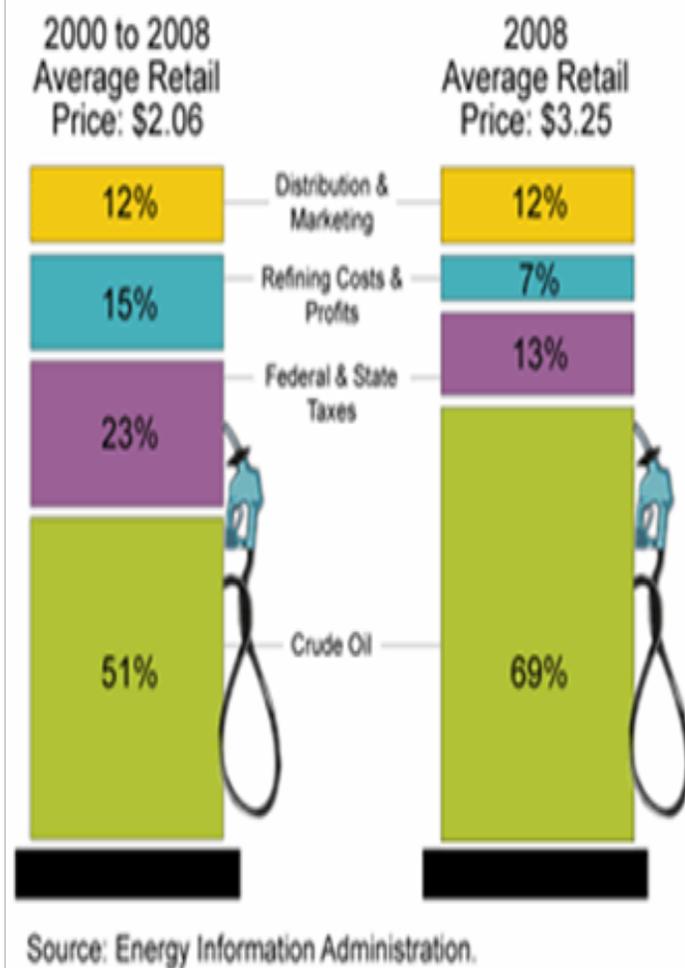
## ***There are many factors that influence the **price you pay** for gasoline.***

### **What Determines Gas Prices?**

There are many factors that influence the price you pay for gasoline. The price is determined by the price per barrel of crude oil, federal and state taxes, refining costs and profits, and distribution and marketing costs. This graphic from the Energy Information Administration breaks down the percentage for each category. The share allotted to each category fluctuates over time.

In late 2010, the price per barrel of crude oil accounted for slightly over 70% of the price we pay at the pump. The price of crude oil is the primary cause for recent increases in fuel prices. Many different factors influence the price per barrel of crude oil, such as world economic events, natural disasters, and supply and demand. Refining costs and profits' share was roughly 5% and distribution and marketing made up 10%. Currently, the federal gasoline tax is \$0.184 per gallon and the state gasoline tax is \$0.245 per gallon.

### **What do we pay for in a gallon of Regular Grade gasoline?**



Written by: Dr. Jennifer Hunter

Sources:

U.S. Department of Energy, <http://www.fueleconomy.gov/feg/gasprices/faq.shtml>

U.S. Energy Information Administration, <http://tonto.eia.doe.gov/tools/faqs/faq.cfm?id=10&t=10>

What's Up (and Down) with Gasoline Prices? U.S. Energy Information Administration, <http://tonto.eia.doe.gov/tools/faqs/faq.cfm?id=1&t=10>



## Reducing Idling Saves Money and the Environment

Allowing your car to idle not only wastes gas and money, it also results in increased vehicle emissions. Vehicle emissions emit pollutants into the atmosphere that are harmful to human health and the environment. Children are especially vulnerable to increased emissions because their lungs are still developing. In addition, children breathe more rapidly and take in more pollutants per pound of body weight as compared to adults. A good rule to follow is that if you plan to be parked for longer than 10 seconds turn your engine off. Remember: Idling equals zero miles per gallon. Save gas and money by turning off your engine if you plan to be parked for longer than 10 seconds.!

For more information about See Blue...Go Green, contact Ashley Osborne, Extension Associate, [ashley.osborne@uky.edu](mailto:ashley.osborne@uky.edu).

Written by: Ashley Osborne

Resource: Clean Air News, September 2007  
(<http://www.swcleanair.org/pdf/NLSum07.pdf>).

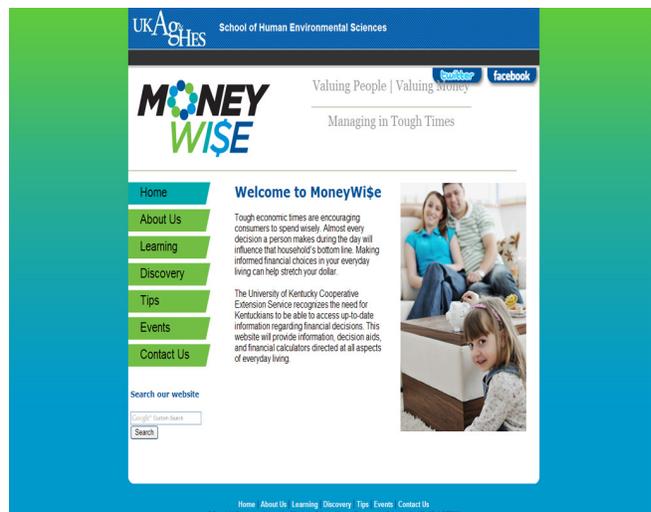
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The screenshot shows the MoneyWi\$e website interface. At the top, it features the UKAgriculture and Sciences (UKAgSciS) logo and the text 'School of Human Environmental Sciences'. Below this is the 'MONEY WISE' logo. The main navigation menu includes links for Home, About Us, Learning, Discovery, Tips, Events, and Contact Us. The main content area is titled 'Welcome to MoneyWi\$e' and contains a paragraph about the need for financial information in tough times, a photo of a family, and a search bar. The footer includes a navigation bar with links for Home, About Us, Learning, Discovery, Tips, Events, and Contact Us.