

# Missing the Demand:

## U.S. Consumers and Foreign Fuel-Efficient Vehicles

*Produced for*

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*Prepared by*

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FOUNDING MEMBER  
**CASRO**<sup>®</sup>  
COUNCIL OF AMERICAN SURVEY RESEARCH ORGANIZATIONS<sup>™</sup>

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## Methodology

Results are based on telephone interviews conducted among a sample of 1,014 adults (504 men and 510 women) age 18 and over, living in private households, in the continental United States. Interviewing was completed during the period of February 2-5, 2007.

Completed interviews of the 1,014 adults were weighted by four variables: age, sex, geographic region, and race, to ensure reliable and accurate representation of the total adult population.

The margin of error at a 95% confidence level is plus or minus three percentage points for the sample of 1,014 adults. Smaller sub-groups will have larger error margins.

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## Executive Summary

- There is a potential market of 2.5 million U.S. consumers for the introduction of fuel-efficient cars now being sold overseas, but not in this country. In a level that remains unchanged from a November 2005 CSI/40mpg survey asking the same question, more than one in 10 American adults (12 percent) say they "have faced a delay in getting the fuel-efficient car they wanted or were concerned enough about reports of delays not to proceed with purchasing such a vehicle." Significantly, this level of frustrated consumers is nearly equal to those reporting "they had no concerns and were able to buy the fuel-efficient car they wanted (14 percent)."
- Nearly nine out of 10 Americans (88 percent) -- including roughly three out of five (58 percent) who feel strongly -- think U.S. consumers should have access to the dozens of more fuel-efficient cars available from U.S. automakers overseas - but not in this country. Similarly, more than four out of five Americans (81 percent) -- including half who agree strongly -- think U.S. consumers should have access to the dozens of more fuel-efficient cars available from foreign automakers overseas - but not in this country.
- Four out of five Americans -- including 86 percent of Democrats and 76 percent of Republicans and Independents -- say that they would support "Congress taking the lead to achieve the highest possible fuel efficiency as quickly as possible" by raising the fuel-efficiency requirements for U.S. vehicles to achieve the goal of 40 miles per gallon.

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## Executive Summary

- More than three quarters of Americans (77 percent) -- including 81 percent of Democrats, 72 percent of Republicans and 77 percent of Independents -- think Congress "could help to save troubled U.S. automakers by requiring the same kind of higher fuel efficiency that already is being achieved in Europe," where "foreign automakers offer far more vehicles that achieve 35-40 miles per gallon or more than do U.S. automakers."
- 85 percent of Americans -- including 91 percent of Democrats, 77 percent of Republicans and 85 percent of Independents -- agree with the statement: "We need higher federal fuel-efficiency standards for vehicles now in order to conserve more energy, making us less dependent on Middle Eastern oil, and to reduce the ill effects of global warming."
- More than nine out of 10 Americans (92 percent) "expect gasoline prices to go back up in the near future" -- including over half (52 percent) who "definitely" expect such higher prices at the pump. Only one out of four Americans say that they are NOT taking "expected future gasoline price increases into consideration in thinking about buying a new vehicle."
- 76 percent of Americans are as or more likely to "buy a hybrid or other more fuel-efficient vehicle" today than they were six months ago.



## Detailed Charts

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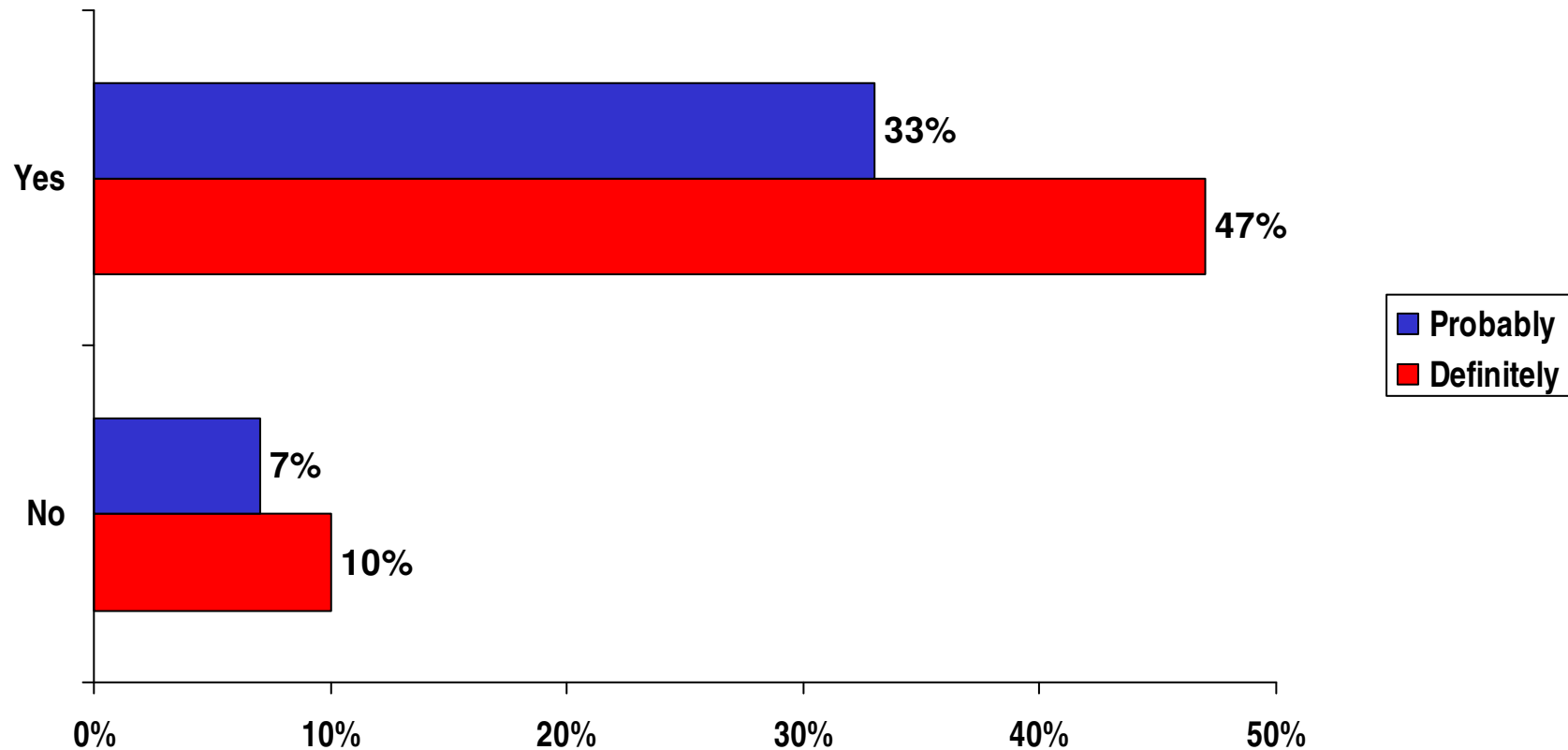
## Congress Should Take the Lead to Increase Vehicle Fuel Efficiency Standards

- The great majority of adults (80%) would support Congress taking the lead to raise fuel-efficiency standards for U.S. vehicles to 40 miles per gallon. Forty-seven percent would definitely support this type of Congressional action while 37% would probably support it. Only 18% would not support such action.
  - Support for this action is universally high across most demographic groups. In the Northeast, support is slightly higher than in the South (87% vs. 78%) but even there, more than three-fourths said yes, they would support such Congressional action.
  - Despite the deep partisan division in Washington, this is not really seen as a political issue. Three fourths of both Republicans and those who lean Republican and Independents (both 76%) say they would support Congressional action in this area. More than eight-in-10 Democrats would support this action (86%.)

# Congress Should Take the Lead to Increase Vehicle Fuel Efficiency Standards

R1: Congress could require raising the fuel-efficiency requirements for U.S. vehicles to achieve the goal of 40 miles per gallon. Would you support Congress taking the lead to achieve the highest possible fuel efficiency as quickly as possible? Would you say...

## Support for Congressional Leadership in This Area is Strong



Base = Total respondents, 1,014 adults.

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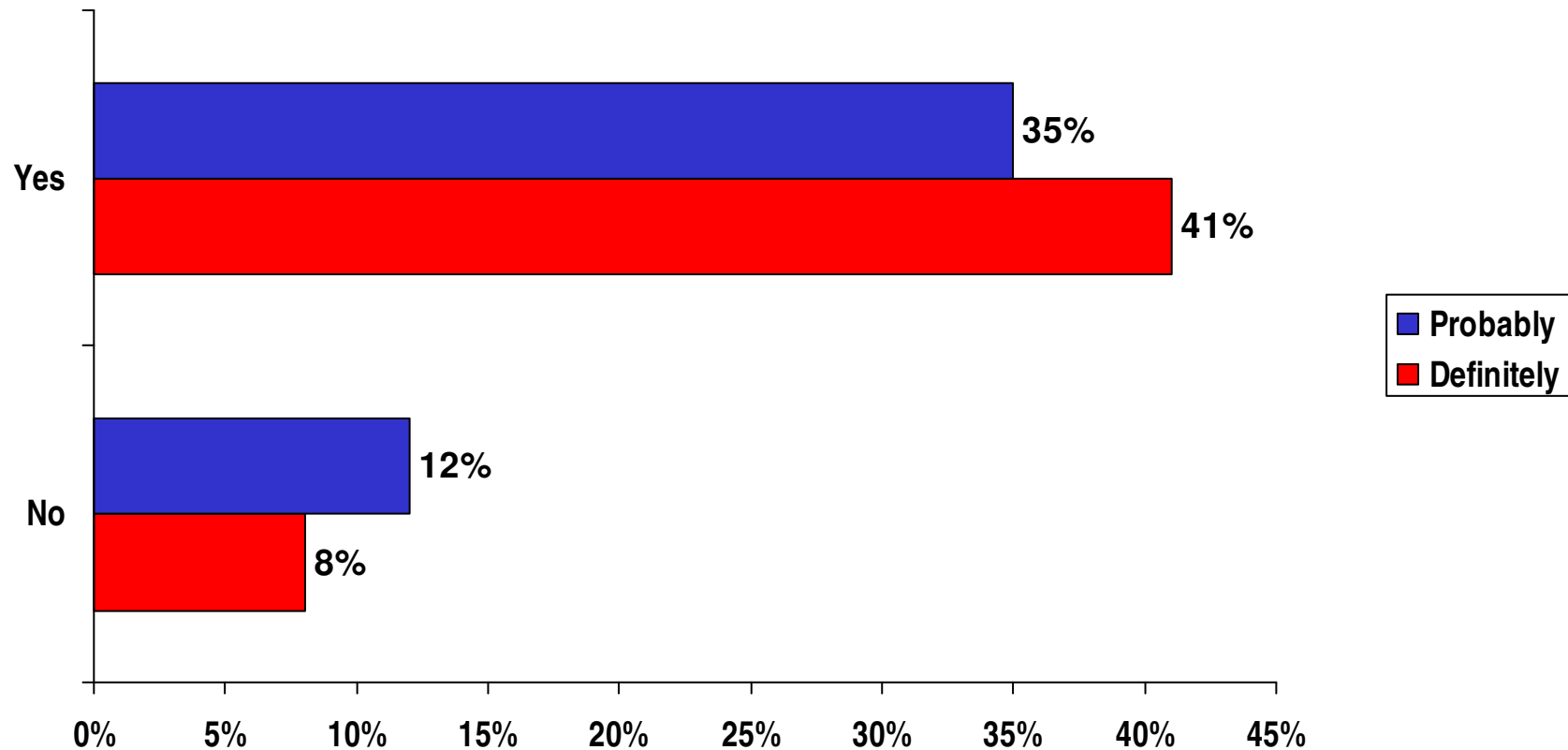
## Congress Could Come to Detroit's Aid

- More than three-fourths of respondents (77%) think that Congress could help save troubled U.S. automakers by requiring the same kind of higher fuel efficiency in cars that is already achieved in Europe. One-fifth do not think Congress could help save Detroit if it took this action.
  - More women than men (80% vs. 73%) said yes in response to this question.
  - Those in the Northeast (82%) are also a lot more likely to feel that Congress could bail out Detroit with this action than are those in the South (72%). Eighty percent of respondents in the Midwest – some of whom live near the major U.S. auto centers – said yes to this question.
  - On a partisan basis, Republicans (72%) and Independents (77%) are slightly less likely to think Congress could help save U.S. automakers than are Democrats (81%).

# Congress Could Bail Out Troubled U.S. Automakers

R2: Foreign automakers offer far more vehicles that achieve 35 to 40 miles per gallon or more than do U.S. automakers. As a result, the average fuel-efficiency of European vehicles is higher than those made available to consumers in the United States. Do you think Congress could help to save troubled U.S. automakers by requiring require the same kind of higher fuel efficiency that already is being achieved in Europe? Would you say...?

## Most Feel Congress Could Help Save U.S. Automakers



Base = Total respondents, 1,014 adults.

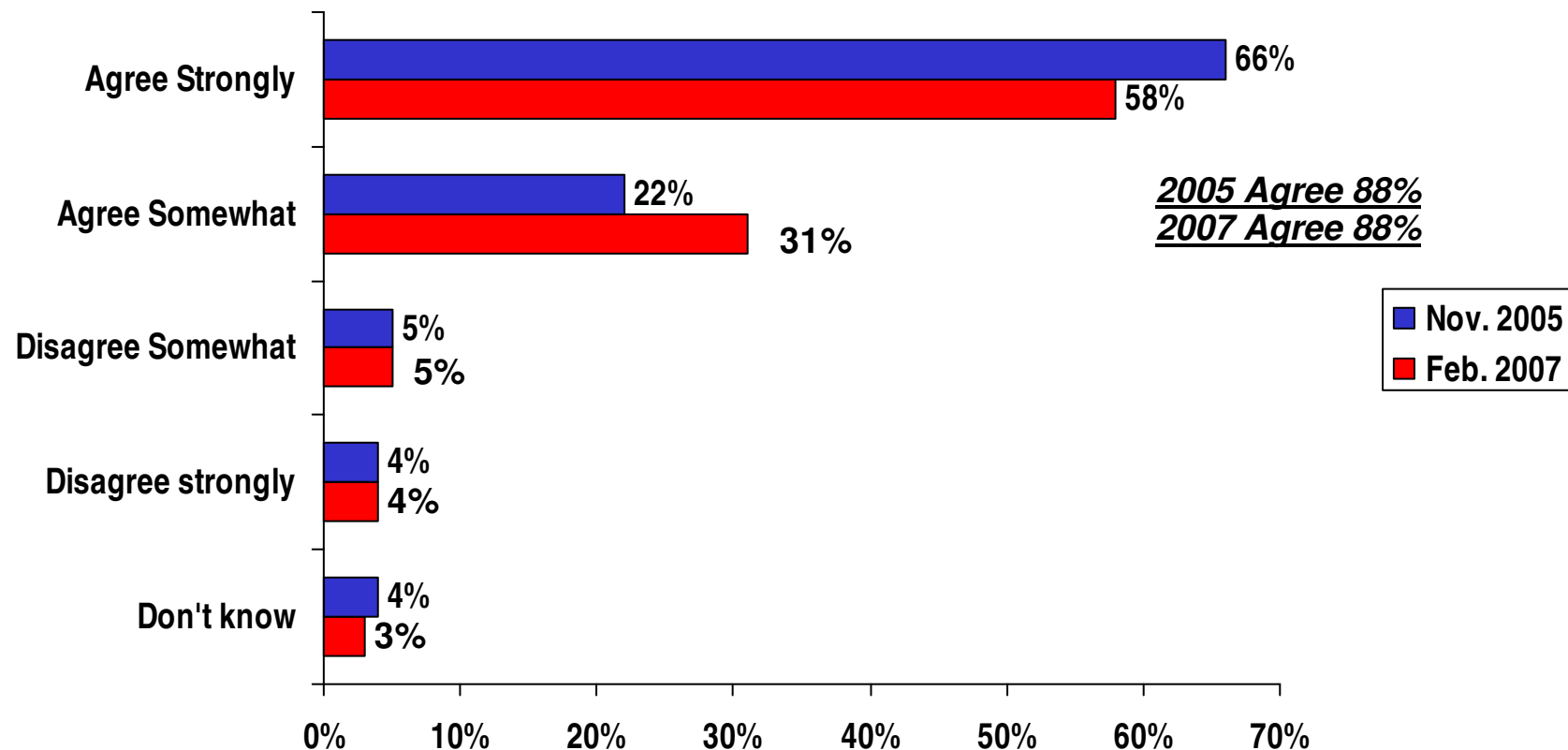
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## Any Fuel Efficient Car Made by U.S. Automakers Should be Available to U.S. Consumers

- Respondents have always been in favor of U.S. automakers making available **all** cars they manufacture that have fuel efficiencies of 35 miles per gallon or more. Eighty-eight percent agree strongly or somewhat that this should be the situation for U.S. auto consumers. This is unchanged from a survey conducted in November 2005 asking the same question. Only 9% disagree that these cars should be made available in the U.S.
  - Support for making these cars available in the U.S. is highest among those age 35-44 (93%) and respondents in the West (90%).
  - There is also a slight tendency for those with larger households or households where there are children present to want these cars available. However, desire for the cars is so strong across all demographic groups that the difference is not significant.
  - Democrats are the most likely to want these cars available (92%) when compared to Republicans (88%) or Independents (78%).

# Any Fuel Efficient Car Made by U.S. Automakers Should be Available to U.S. Consumers

R3: Dozens of vehicles that achieve fuel efficiency of 35 miles or more per gallon are manufactured by U.S. car makers or their overseas affiliates or partners, but are not available in the U.S. Some people say "if a car is made or distributed by a U.S.-owned, controlled or affiliated automaker, it should be available for sale in the U.S. too, not just overseas. U.S. consumers should be able to get the best of the more fuel-efficient vehicles that already are available in other countries." What do you think of that statement? Would you say you...



Base = Total respondents, 1,014 adults.

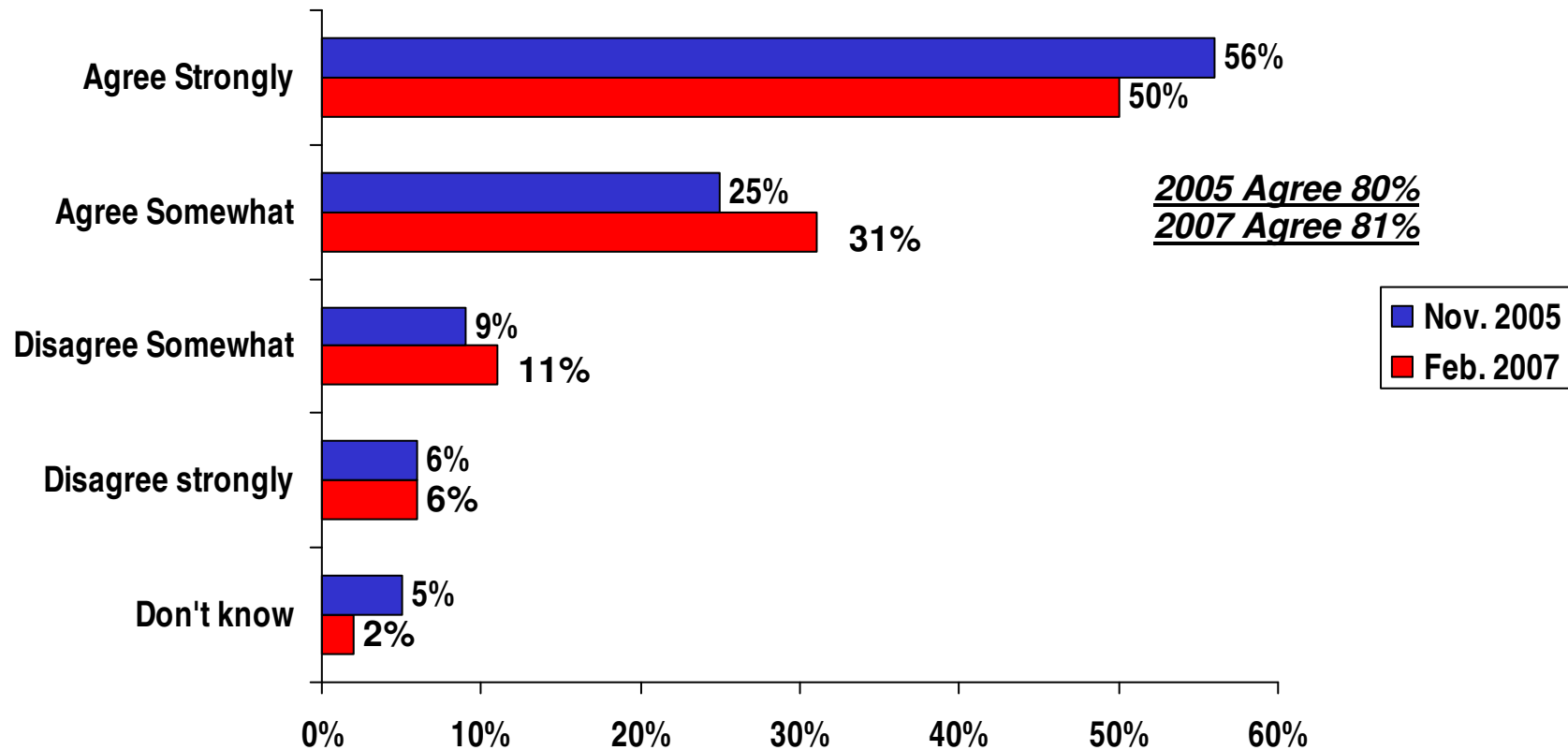
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## And Fuel Efficient Cars Made by Foreign Automakers Should be Available Here as Well

- Eight in 10 respondents (81%) also agree that foreign-made cars with a fuel efficiency rating of 35 miles per gallon or more should be made available in the US. Only 16% disagree.
  - Support for making foreign-made cars available in the U.S. is highest among those age 35-44 (84%) and respondents in the West (85%).
  - Again, there is a slight tendency for those with larger households or households where there are children present to want these cars available. However, the desire for these cars is so strong across all demographic groups that the difference is not significant.
  - Democrats are again the most likely to want these cars available (85%) when compared to Republicans (79%) or Independents (75%).

# And Fuel Efficient Cars Made by Foreign Automakers Should be Available Here as Well

R3: Dozens of vehicles that achieve fuel efficiency of 35 miles or more per gallon are manufactured by foreign automakers but are not available in the U.S. Some people say "if a car is made or distributed by a foreign owned, controlled or affiliated automaker, it should be available for sale in the U.S. too, not just overseas. U.S. consumers should be able to get the best of the more fuel-efficient vehicles that already are available in other countries." What do you think of that statement? Would you say you...



Base = Total respondents, 1,014 adults.

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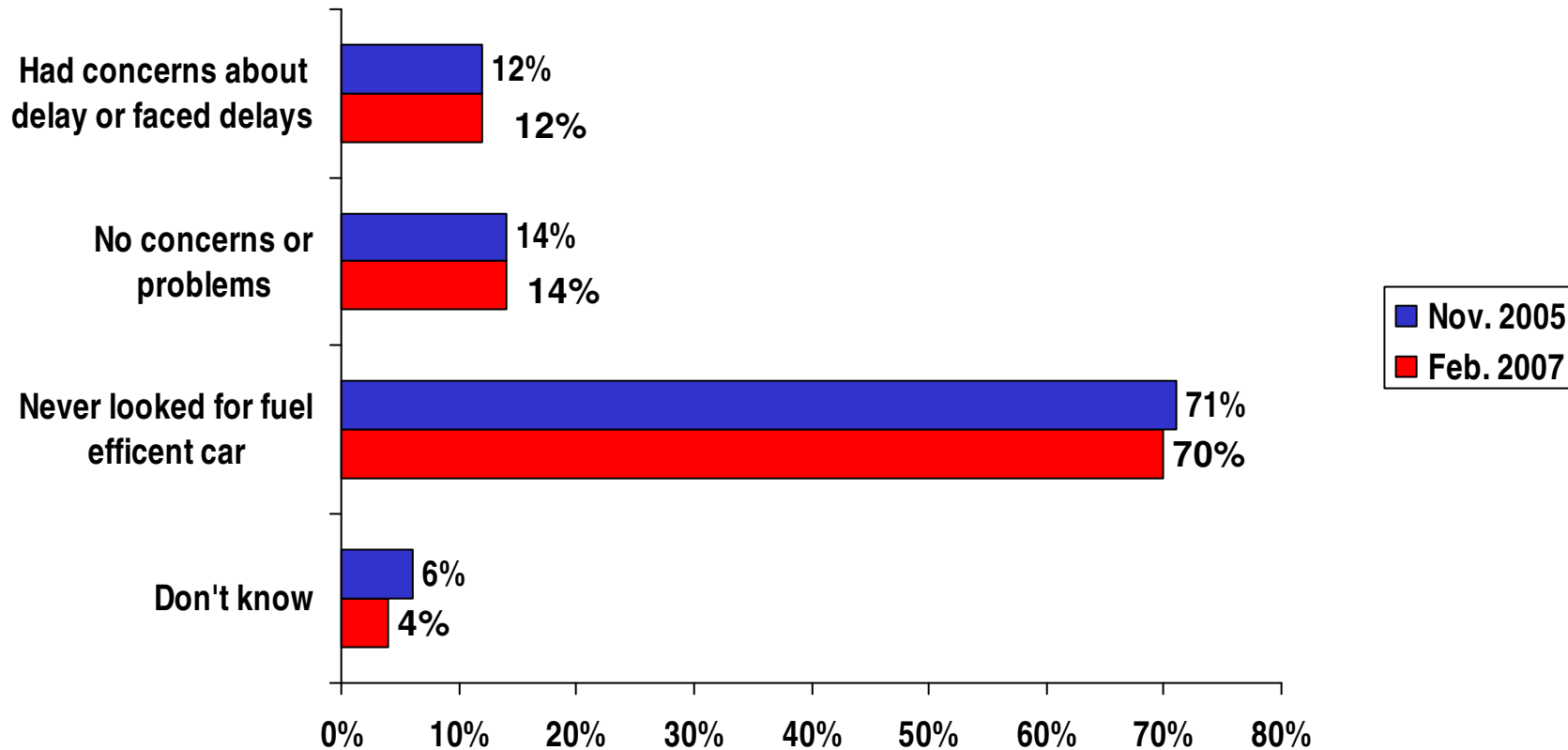
## Difficulty Finding a Hybrid Car

- Respondents were then asked if they had had difficulty finding a hybrid or fuel efficient car, or if the concern over availability had forced them to abandon purchasing such a vehicle. Seven out of 10 respondents in this and a November 2005 survey responded that they had never looked for a more fuel efficient vehicle. Twelve percent in each survey said they did have trouble finding one and 14% had no concerns and bought the fuel efficient vehicles they were looking for.
  - Those most likely to have faced a delay include respondents age 18-24 (17%), those in the West (14%) or Midwest (13%). Also 18% of respondents who have household incomes of \$75,000 or more and 20% of those with less than a high school education have had trouble finding an efficient car.

# Difficulty Finding a Fuel Efficient Car

R5: Some consumers have complained that hybrids and other vehicles with high fuel efficiency are in so much demand that the vehicles either are not available at dealers or available months too late for them to buy. Have you either personally experienced such a delay when trying to buy a more fuel-efficient car or been concerned enough about reports of delays that you decided for that reason not to buy one? Would you say...

## Most Americans Have Not Looked for a Fuel-Efficient Car



Base = Total respondents, 1,014 adults.

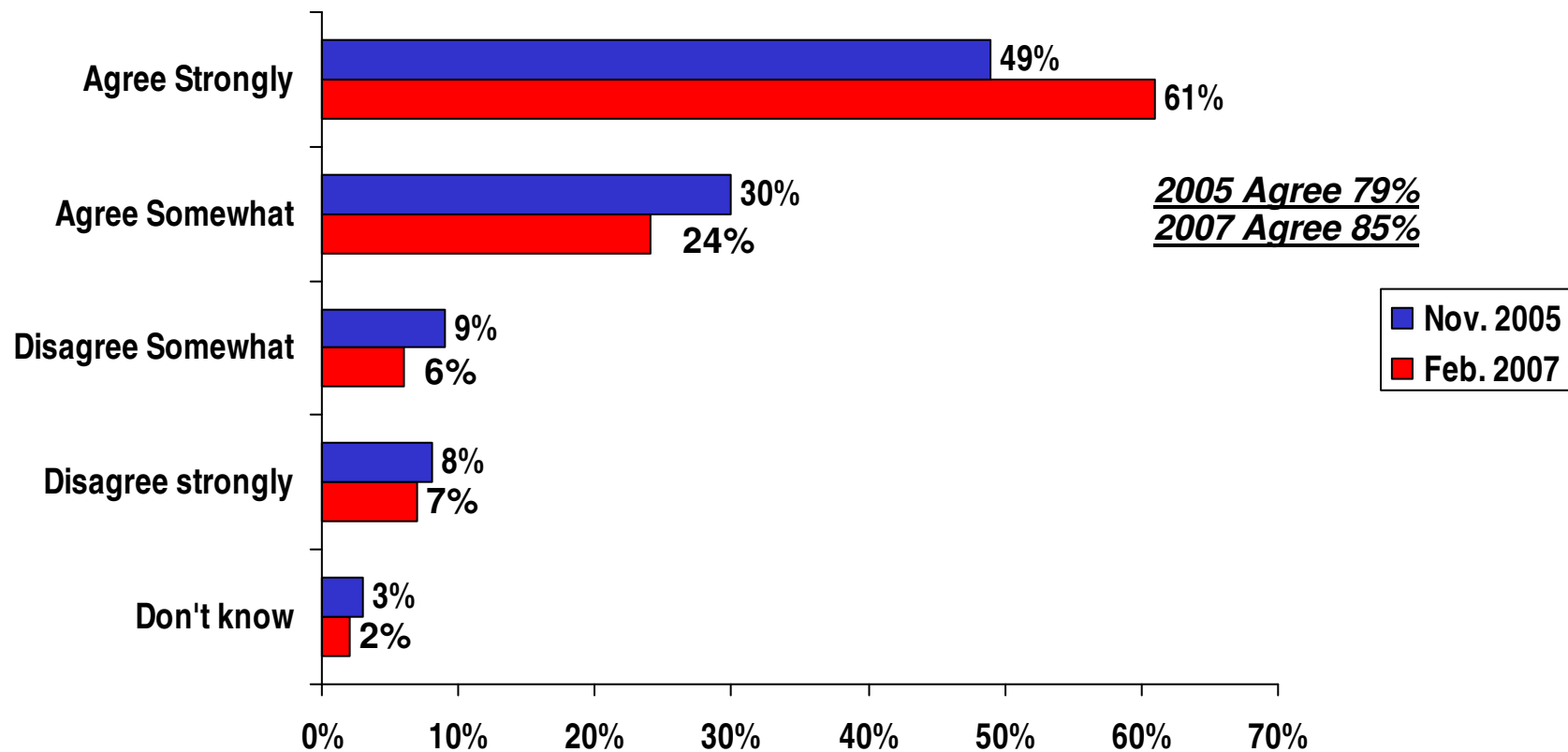
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## Universal Agreement That Higher Fuel Efficiency Standards are Needed

- A majority of Americans (85%) agree that higher fuel efficiency standards are needed. This finding has increased slightly since the last survey conducted on this topic in November 2005 when 79% agreed higher standards were needed. A dramatic shift has also taken place in the percentage of those who strongly agree with this statement – as shown on the next chart. Only 13% in the current survey disagree with the need for higher standards.
  - Democrats are strong proponents of higher standards (91%) compared to Independents (85%) or Republicans (77%).
  - A large proportion of those who think gas prices are likely to go up in the future (87%) and 94% of those who are definitely or probably more likely to buy a fuel efficient car now than six months ago, agree that higher fuel standards are needed.

# Universal Agreement That Higher Fuel Efficiency Standards are Needed

R6: What do you think of the following statement? "We need higher federal fuel-efficiency standards for vehicles now in order to conserve more energy, making us less dependent on Middle Eastern oil, and to reduce the ill effects of global warming." Would you say...



Base = Total respondents, 1,014 adults.

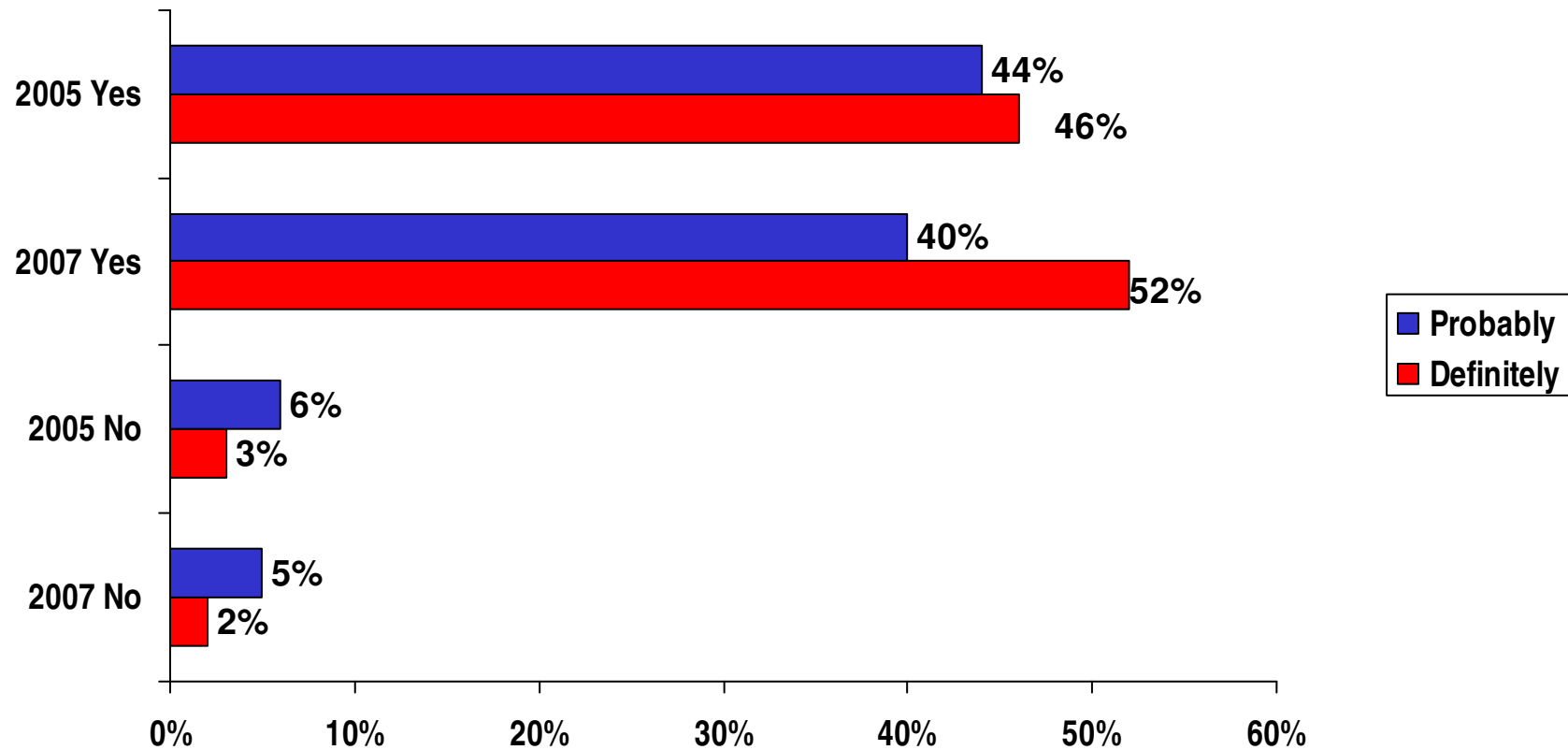
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## Most Expect Gas Prices to Be on the Rise Again

- Respondents were asked if they thought that gas prices would go up in the near future. Nine in 10 said yes (92%). This finding is unchanged from the November 2005 study.
  - Having lived through the recent gas price hikes, everyone expects they will go up again. There are no demographic differences on this question.

# Most Expect Gas Prices to Be on the Rise Again

R7: Do you expect gasoline prices to go back up in the near future? Would you say...



Base = Total respondents, 1,014 adults.

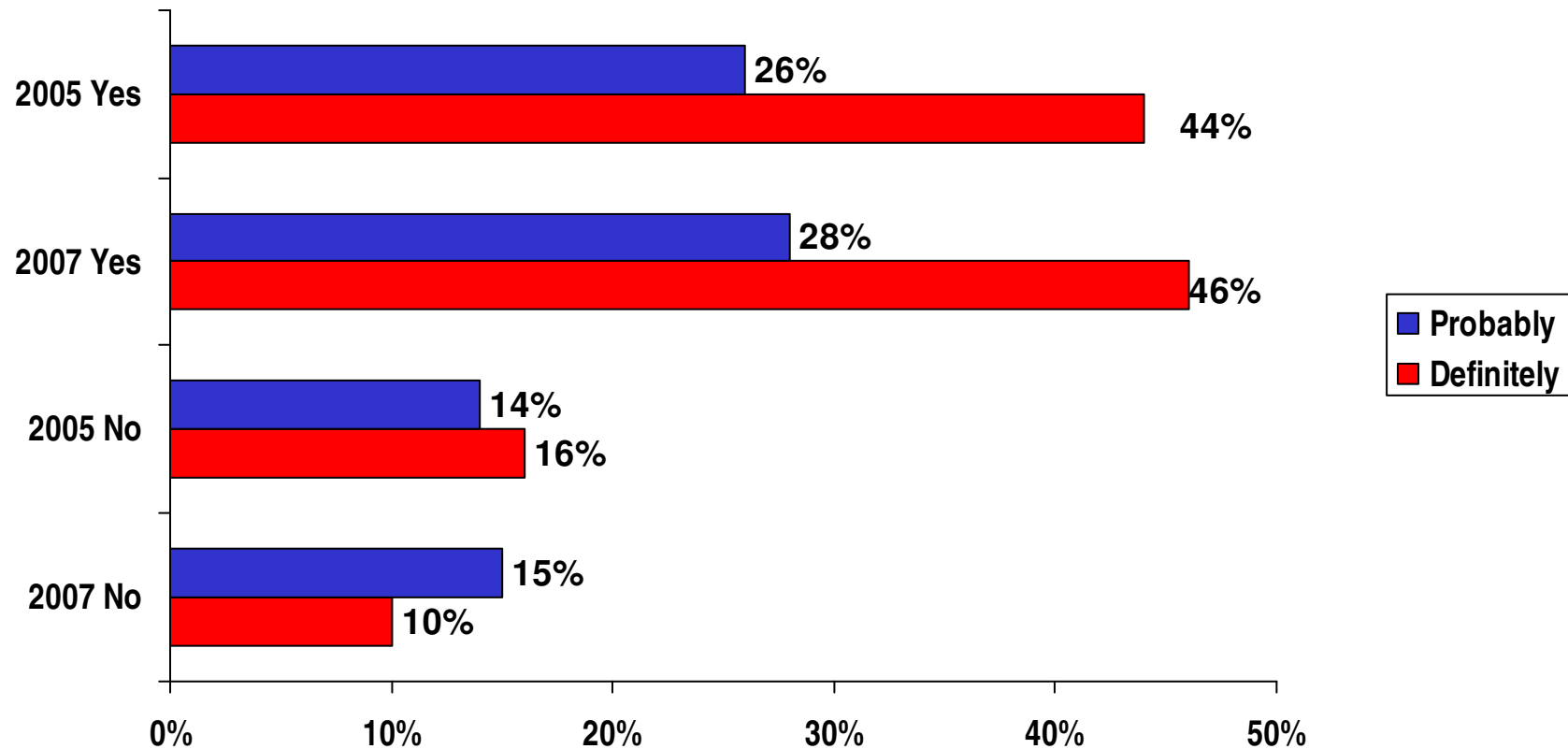
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## Taking Future Gas Hikes Into Consideration When Buying Car

- Although gas prices have recently dropped, more than seven out of 10 (74%) say that they will take expected gas price increases into consideration when thinking about a new vehicle. One-fourth (25%) will not take this into consideration.
  - Seventy-six percent of those under the age of 65 say they will take future gas prices into consideration when vehicle shopping, while only 62% of those age 65 and over will.
  - Those in the West (81%) are the most likely to say they will consider the future price of gas compared to only 69% of those in the Northeast.
  - 81% of those with a college degree will take this into consideration when purchasing their next vehicle compared to only 62% of those with less than a high school education.
  - Democrats are the most likely to say yes to this question (80%) compared to Republicans (70%) and Independents (58%).
  - Those who think gas prices are going to increase again (75%), those who think the federal fuel efficiency standards need to be higher (77%) and those who are more likely to buy a fuel-efficient car now than six months ago (89%) all are more likely to say yes to this question.

# Taking Future Gas Hikes Into Consideration When Buying Car

R8: Gas prices have dropped, however, experts predict that the price of oil will rise again and with it the gasoline prices you pay. Are you taking – or will you take – the expected gasoline prices into consideration in thinking about buying a new vehicle? Would you say...



Base = Total respondents, 1,014 adults.

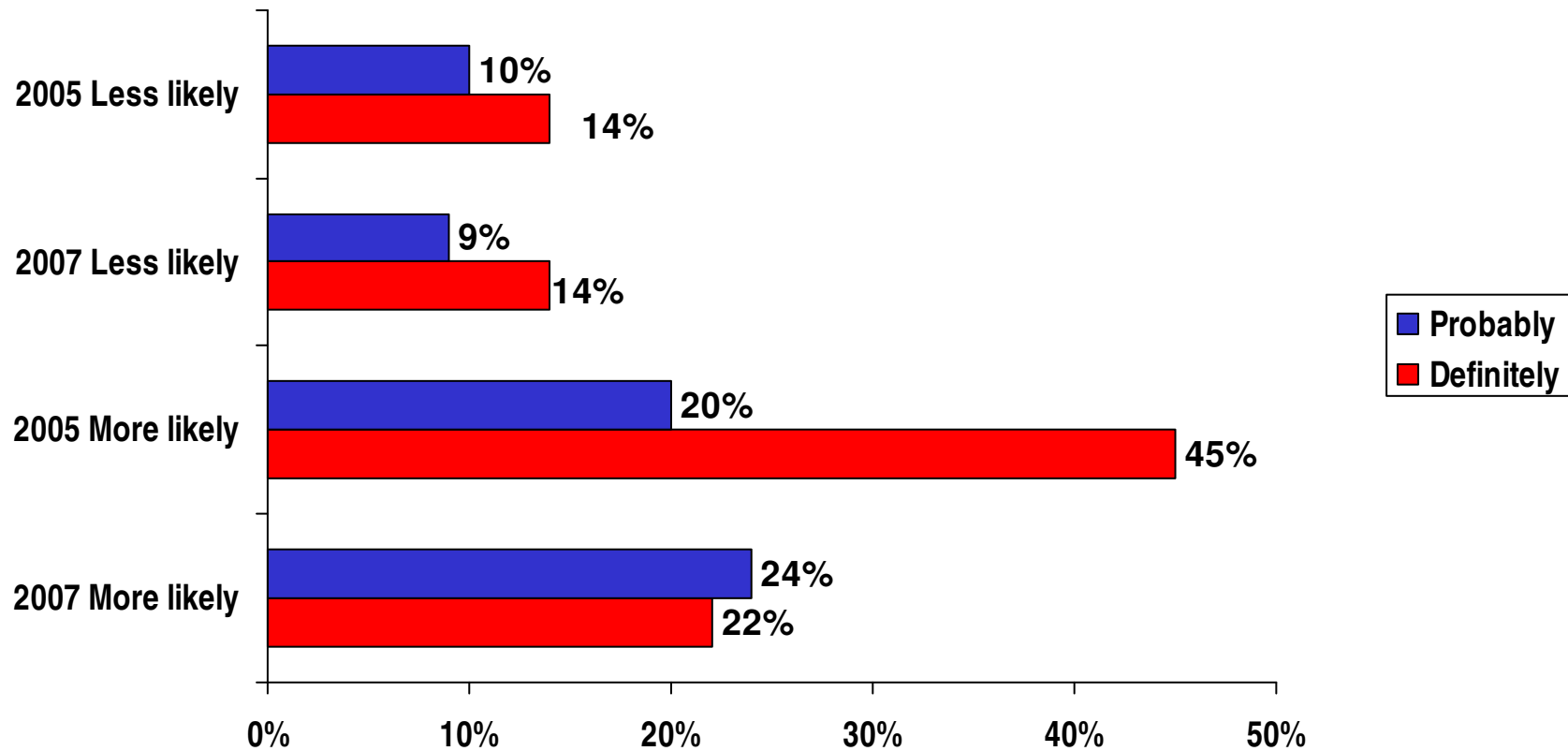
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## Likelihood of Buying a Fuel Efficient Vehicle is Steady

- Just under half (46%) say they are more likely now than six months ago to buy a hybrid or other fuel-efficient vehicle. In the 2005 survey this percentage was 45%. In both surveys, 30% say they are as likely to consider such action as they were 6 months ago, and about one in 5 is less likely (22%).
  - The youngest respondents (18-24 years) are the age group most likely to consider buying a hybrid or fuel efficient car (56%).
  - Regionally the South and the Northeast are the least likely to be considering this type of vehicle.
  - 55% of those in households with incomes of \$50,000 or more say they are more likely now than six months ago to be thinking of a fuel efficient car for their next purchase.
  - Democrats are the most likely to say they are considering this (50%), compared to Republicans (42%) or Independents (34%).
  - Half of those who agree that federal fuel efficiency standards need to be higher will consider this type of vehicle.

# Likelihood of Buying a Fuel Efficient Vehicle is Steady

R9: Do you consider yourself more or less likely to buy a hybrid or other more fuel-efficient vehicle now than you were six months ago? Would you say you are...



Base = Total respondents, 1,014 adults.



# APPENDIX

## RELIABILITY OF SURVEY PERCENTAGES

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results.

The table below shows the possible sample variation that applies to percentage results reported herein. The chances are 95 in 100 that a survey result does not vary, plus or minus, by more than the indicated number of percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

Size of Sample on Which Survey Results Are Based	Approximate Sampling Tolerances Applicable to Percentages At or Near These Levels				
	10% or 90%	20% or 80%	30% or 70%	40% or 60%	50%
1,000 interviews	2%	2%	3%	3%	3%
500 interviews	3%	4%	4%	4%	4%
250 interviews	4%	5%	6%	6%	6%
100 interviews	6%	8%	9%	10%	10%

### Additional Sampling Tolerances for Samples of 1,000 Interviews

<u>9% or 91%</u> 2%	<u>8% or 92%</u> 2%	<u>7% or 93%</u> 2%	<u>6% or 94%</u> 1%	<u>5% or 95%</u> 1%
<u>4% or 96%</u> 1%	<u>3% or 97%</u> 1%	<u>2% or 98%</u> 1%	<u>1% or 99%</u> 2%	

## SAMPLING TOLERANCES WHEN COMPARING TWO SAMPLES

Tolerances are also involved in the comparison of results from independent parts of the sample. A difference, in other words, must be of at least a certain number of percentage points to be considered statistically significant – that is not due to random chance. The table below is a guide to the sampling tolerances in percentage points applicable to such comparisons, based on a 95% confidence level.

Size of Samples Compared	Differences Required for Significance At or Near These Percentage Levels				
	10% or 90%	20% or 80%	30% or 70%	40% or 60%	50%
1,000 and 1,000	3%	4%	4%	4%	4%
1,000 and 500	3%	4%	5%	5%	5%
1,000 and 250	4%	6%	6%	7%	7%
1,000 and 100	6%	8%	9%	10%	10%
500 and 500	4%	5%	6%	6%	6%
500 and 250	5%	6%	7%	7%	8%
500 and 100	6%	9%	10%	11%	11%
250 and 250	5%	7%	8%	9%	9%
250 and 100	7%	9%	11%	11%	12%
100 and 100	8%	11%	13%	14%	14%