

The recent surge in gasoline prices has both rural and urban Pennsylvania drivers digging deeper into their wallets. According to the U.S. Energy Information Administration, the price for a gallon of gasoline in the Central Atlantic region increased 60 percent from June 2021 to June 2022.

In June 2022, rural drivers spent an estimated \$234, or 5 percent of their monthly wages, on gas. These drivers are paying 60 percent more for gas than they were in June 2019, when they spent approximately \$126, or about 3 percent of their monthly wages on gas.

Rural households are being affected disproportionately compared to their urban counterparts by the increasing prices because they have lower average weekly wages, and they typically travel

farther in their daily commute.

The U.S. Energy Information Administration tracks monthly and annual gasoline prices for regions in the United States. Pennsylvania is in the Central Atlantic region, which also includes our neighboring states of Delaware, New York, New Jersey, and Maryland.

The 2021 average weekly wage for rural Pennsylvania was \$1,046. According to the most recent data, rural drivers, on average, travel 55.2 miles and burn 2.2 gallons of gas per day, Monday through Friday. For rural drivers using gas as the main fuel, in June 2022, they spent an estimated \$234, or 5 percent of their monthly wages, on gas. These drivers are paying 60 percent more for gas than they were in June 2019, when they spent approximately \$126, or about 3 percent of their monthly wages on gas.

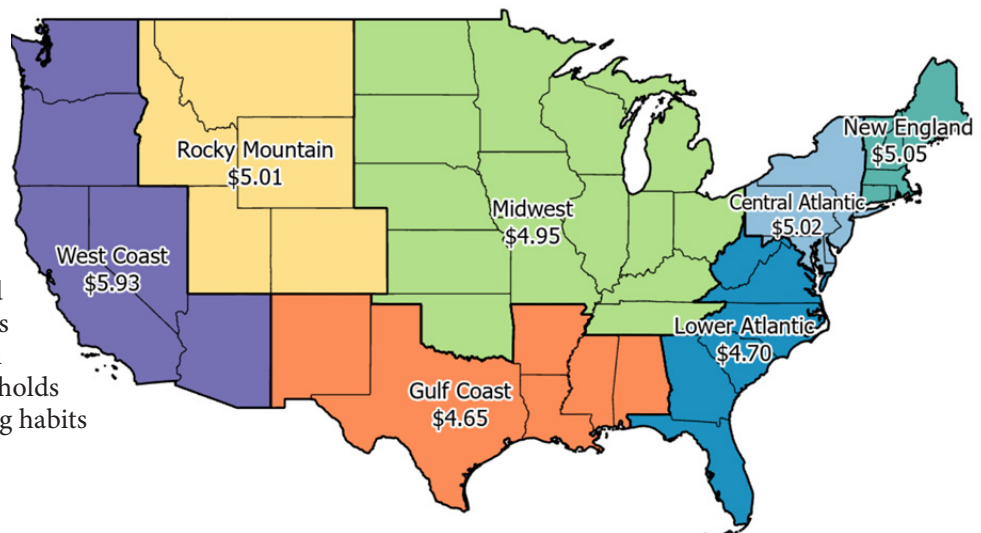
To help visualize the impact of increasing gas prices, the Center mapped average prices for gas by region for June 2022. The Central Atlantic region had the third highest prices in the country. New England and the West Coast had the highest prices. The average gas price for the entire country in June 2022 was \$5.03. That's 49 cents more than the national average price for gas in May 2022.

The 2021 average weekly wage for urban Pennsylvania was \$1,391. Urban drivers, on average, travel 25.8 miles and burn 1.04 gallons of fuel per weekday. For drivers whose vehicles use gas as their main fuel, in June 2022, they spent an estimated \$109, or 2 percent of their monthly wages, on gas. These motorists are paying 57 percent more of their wages on gas than they were in June 2019, when they spent approximately \$59, or about 1 percent of their monthly wages on gas.

Higher gas prices are affecting every driver in Pennsylvania. The average monthly price for gas in June for the Central Atlantic Region was \$5.02 per gallon. The last decade has seen a 40 percent increase overall in gas prices in the month of June.

Average Gas Prices at Retail Outlets, by Region, June 2022

Data source: U.S. Energy Information Administration. Note: Excludes Alaska and Hawaii.

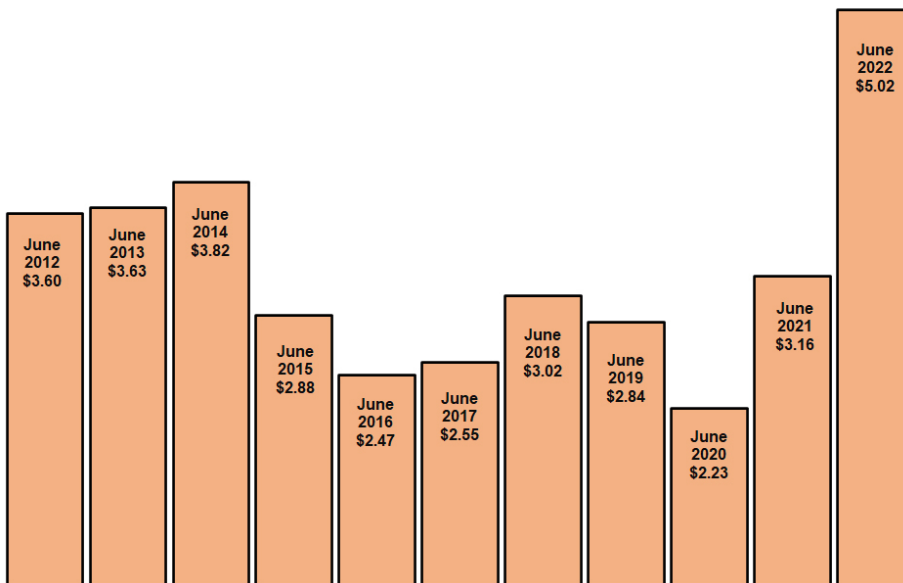


The June 2022 averages for gas were the highest prices recorded since 2008, when the record was of \$4.15 for gas in July of that year.

According to estimates from the Independent Fiscal Office (IFO), Pennsylvania drivers will use about 400 million gallons of gas, and they will spend about \$740 million more on gas in June 2022 than they spent in June 2021. Pennsylvania households may have to alter their spending habits to adjust to surging prices.

Central Atlantic Region Annual Gasoline Prices, June 2012- 2022

Data source: U.S. Energy Information Administration.



Methods

The Center obtained the annual and monthly price of all gasoline grades from the U.S. Energy Information Administration. The data contained average gas prices per month by region.

The Center also used the 2017 Local Area Transportation Characteristics for Households from the U.S. Bureau of Transportation Statistics. This report, which used the Bureau of Transportation Services’ definition of rural and urban, provides estimates, by state, of the number of daily miles driven by rural and urban householders. The report included 7,200 survey responses from Pennsylvania.

The Center used average weekly wages for 4th quarters of 2019 and 2021 from the Quarterly Census of Wages and Employment, Pennsylvania Department of Labor and Industry.

The following formula was used to calculate the amount of monthly income allocated for gasoline costs:

- The average miles driven per weekday by rural drivers is 55.23 miles.
- This is divided by 24.9 miles per gallon (mpg), based on the average mpg of vehicles in the U.S., according to the Environmental Protection Agency, to get the number of gallons burned per weekday (2.22 gallons).
- Multiply 2.22 gallons used per weekday by the average gas price for June 2022 (\$5.02) to get how much is paid for gas per weekday (\$11.12).
- Multiply \$11.12 per weekday by the total amount of workdays in June 2022 (21 weekdays) to achieve the estimated monthly amount, rounded to the nearest dollar (\$234).

This formula is repeated using the data for urban drivers as well as the averages for 2019 for both rural and urban drivers.

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