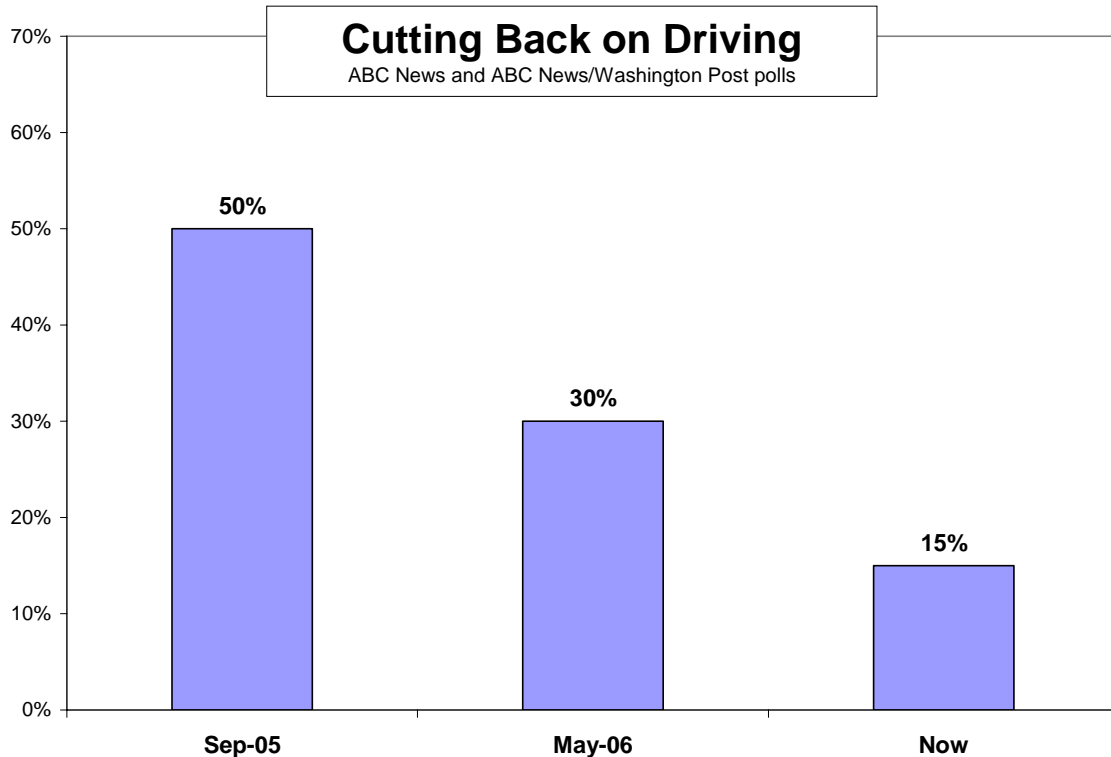


## **Most Feel Gas Pinch But Keep on Cruisin'**

Most Americans are adjusting to higher gas prices without cutting back on their driving this summer. But they're not happy about it – and the tipping point may be just over a dollar away.

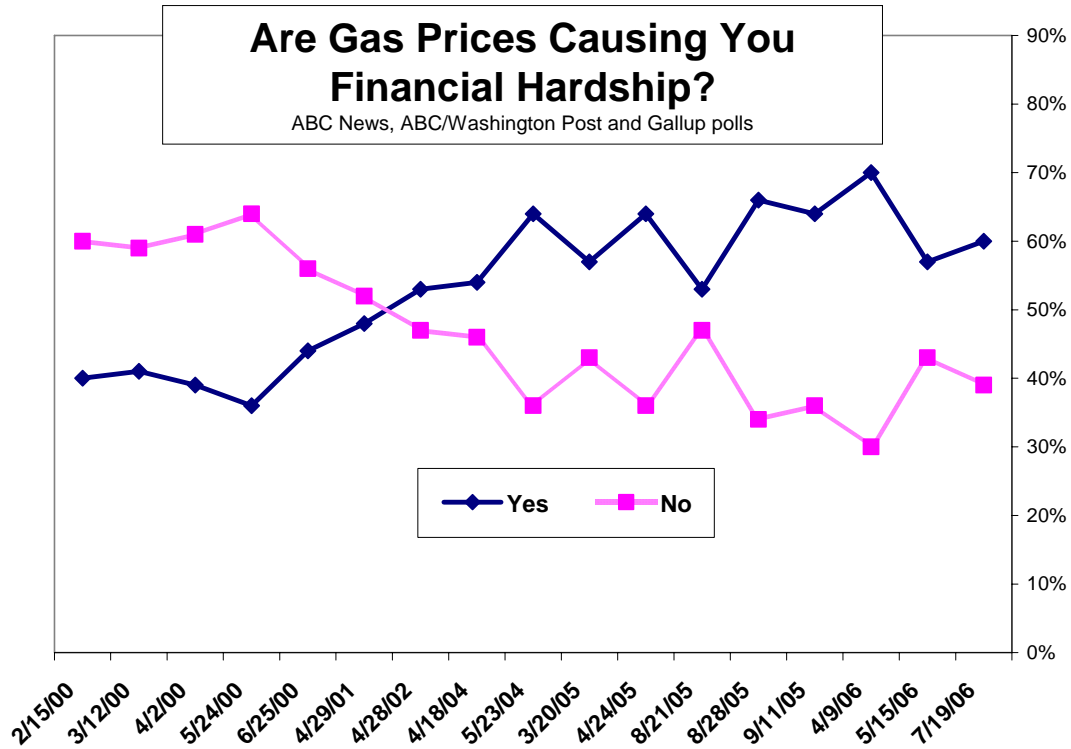
Sixty percent in this ABC News poll say the price of gasoline is causing them financial hardship, and nearly three in 10 say it's "serious" hardship. Yet only 15 percent plan to cut back on their driving in the weeks ahead – far fewer than said so after the last two gas-price spikes, in September 2005 and last May.



Is less driving on the horizon? It depends on the price of gas. Americans on average say they'd significantly cut back on their driving if gas hit \$4.16 per gallon. That compares to an average \$2.99 in the U.S. Department of Energy's weekly survey last week – the second highest on record in nominal terms, surpassed only after Hurricane Katrina.

**DRIVING** – There are two likely reasons that 85 percent of Americans don't plan to drive less this summer. One is that, in a car-based society, it's hard to cut down on driving; to the extent that people can do so fairly easily, they have by now.

Another is that after a year in which gas hasn't fallen below \$2.15 a gallon, people are just getting used to it, however unhappily. Indeed, the number who call it a hardship is down by 10 points from a record 70 percent last April, and "serious hardship" is down further, by 15 points.



The money has to come from somewhere; to pay at the pump most Americans say they're mainly either spending less on other things (39 percent) or saving less (20 percent). That could prove problematic; reduced consumer spending elsewhere, which Fed Chairman Ben Bernanke noted in Senate testimony last week, could fuel an economic slowdown.

**GROUPS** – The pain of gas prices falls disproportionately on lower-income Americans. Among people with households incomes under \$25,000 a year, 68 percent call gas prices a hardship and 38 percent call them a serious hardship. Among people in \$75,000-plus households, the level of hardship is 20 points lower.

Hardship also is greater among people who live outside of metropolitan areas – they have to drive more – and, likely for the same reason, among people with children at home.

	Price of gas	
	Hardship NET	Serious hardship
All	60%	29%
<\$25K	68	38
>\$75K	48	19
Non-metro	69	38
Metro	58	27
Kids	68	32
No kids	55	26

There also are differences among groups on what price might cause people to cut back significantly on their driving. Numbers peak among higher-income Americans, who say it'll take an average \$4.64 gas for them to drive much less, Westerners (\$4.60; they're already paying the nation's highest prices); and men (\$4.31).

MEASUREMENT – Not only do just 15 percent of Americans say they plan to drive less in this poll, but fewer, 10 percent, say they'll be driving less specifically because of the price of gas. (About as many, 12 percent, say they'll be driving more, possibly the effect of summer holidays.)

One factor is the approach to measurement; other polls have asked people if they'll be driving less because of the price of gas. Majorities say yes, but the question is a leading one. This poll instead asked people if they plan to drive more, less or about the same amount in the weeks ahead; and if less, why.

On the price that would cause drivers to cut back significantly, \$4.16 is the average answer. The median – the midpoint of answers – is somewhat lower, \$3.50 a gallon. That's because a few people say they wouldn't cut back on driving unless gas hit \$10 a gallon or even \$50 – figures that drive up the average response.

METHODOLOGY – This ABC News poll was conducted by telephone July 14-19, 2006, among a random national sample of 1,015 adults. The results have a three-point error margin. Field work by ICR-International Communications Research of Media, Pa.

Analysis by Gary Langer.

ABC News polls can be found at ABCNEWS.com at <http://abcnews.com/pollvault.html>.

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Full results follow (\*= less than 0.5 percent).

1. Thinking about how much driving you do, would you say that in the weeks ahead you'll be driving more, less, or about the same amount as you usually do?

			Don't drive /	No
More	Less	Same	no car (vol.)	op.

7/19/06	12	15	63	10	1
5/15/06	11	30	56	4	*
9/2/05	3	50	44	3	1

2. (IF LESS, Q1) Why is that? What's the main reason you think you'll be driving less?

	Price of gas	Work/vacation schedule	Health reasons	Staying home/Not going out much	Other	No op.
7/19/06	67	15	4	4	9	1

1/2 NET

		-----Less-----						Don't drive/	No	
	More	NET	Price	Schedule	Health	Staying home	Other	Same	no car (vol.)	op.
7/19/06	12	15	10	2	1	1	1	63	10	1

3. Have recent price increases in gasoline caused any financial hardship for you or others in your household, or not? IF YES: Has that been a serious hardship, or not serious?

		-----Yes-----			
	NET	Serious	Not serious	No	No opin.
7/19/06	60	29	30	39	1
5/15/06	57	31	26	43	*
4/9/06	70	44	26	30	*
9/11/05	64	34	30	36	*
8/28/05	66	36	30	34	*
8/21/05	53	26	27	47	*
4/24/05	64	34	30	36	*
3/20/05	57	29	28	43	*
5/23/04	64	37	27	36	0
4/18/04	54	31	23	46	0
4/28/02	53	20	33	47	*
4/29/01	48	17	30	52	*
6/25/00*	44	NA	NA	56	*
5/24/00	36			64	*
4/2/00	39			61	*
3/12/00	41			59	*
2/15/00	40	"	"	60	*

\*6/25 and previous by Gallup; slightly different wordings.

4. How are you mainly paying for the added cost of gasoline - spending less on other things, saving less, borrowing more on a credit card or other loan, or what?

	Spend less	Save less	Borrow more	All (vol.)	Other (vol.)	Not paying more (vol.)	Don't drive (vol.)	No op.
7/19/06	39	20	10	5	12	6	5	3
8/21/05	45	21	10	3	12	7	2	1

5. (AMONG DRIVERS) What price per gallon would gasoline have to reach for you to significantly cut back on the amount of driving you do?

	\$2.87-	\$3.50-	\$4.00-	\$5.00+	Already have/it's already there (vol.)	No op.	Mean	Median
7/19/06	22	13	18	10	20	17	\$4.16	\$3.50

\*\*\*END\*\*\*