1. Report No. UMTRI-2009-27	2. Government Accession No.	3. Recipient's Catalog No.
4. Title and Subtitle Economic indicators as predictors of the number and fuel economy of purchased new vehicles		5. Report Date July 2009
		6. Performing Organization Code 383818
7. Author(s) Michael Sivak and Brandon Schoettle		8. Performing Organization Report No. UMTRI-2009-27
9. Performing Organization Name and Address The University of Michigan Transportation Research Institute 2901 Baxter Road Ann Arbor, Michigan 48109-2150 U.S.A.		10. Work Unit no. (TRAIS)
		11. Contract or Grant No.
12. Sponsoring Agency Name and Address The University of Michigan Strategic Worldwide Transportation 2020		13. Type of Report and Period Covered
		14. Sponsoring Agency Code

15. Supplementary Notes

The current members of Strategic Worldwide Transportation 2020 include Bendix, Bosch, Continental Automotive Systems, FIA Foundation, Ford Motor Company, General Motors, Nissan Technical Center North America, and Toyota Motor Engineering and Manufacturing North America. Information about Strategic Worldwide Transportation 2020 is available at: http://www.umich.edu/~umtriswt

16. Abstract

This study examined the relationship between two economic indicators—the unemployment rate and the price of gasoline—and purchase decisions of new vehicle buyers. Two regression analyses were performed, one focusing on the number of vehicles purchased and the other one on their fuel economy. Both analyses used monthly data from October 2007 through April 2009. There are three main findings. First, during the 19 months examined, the average fuel economy of purchased light-duty vehicles improved by a substantial amount—1.1 mpg. Second, both the unemployment rate and the price of gasoline contributed significantly to accounting for the fuel economy of purchased vehicles in the expected positive direction. Third, while there was a significant negative relationship between the unemployment rate and the number of vehicles purchased, the price of gasoline did not significantly increase the predictive power of the model.

17. Key Words Economic indicators, vehicle sales, vehicle fuel economy		18. Distribution Statement Unlimited	
19. Security Classification (of this report) None	20. Security Classification (of this page) None	21. No. of Pages 10	22. Price