

Transportation expenses are the second largest household expense for most families, even before the recent jump in gasoline prices. Rural families pay even more. Electric vehicles (EVs) can help consumers save money on transportation over the long term. At the same time, as underscored by the war and humanitarian crisis in Ukraine, decreasing our reliance on fossil fuels helps to keep us safer and helps protect us from price shocks.

How can we save money on fuel with transportation electrification?

- Electricity as a transportation fuel is much cheaper than gasoline for drivers who charge their vehicles at home, and is almost always cheaper for drivers who use public EV charging stations.
- Electricity prices fluctuate, but typically not as much as gasoline prices. Electricity prices tend to be more stable.
- Prices for electricity generated with renewable energy like solar and wind have dropped in recent years and should continue to go down.

How can EVs be put within reach for more consumers?

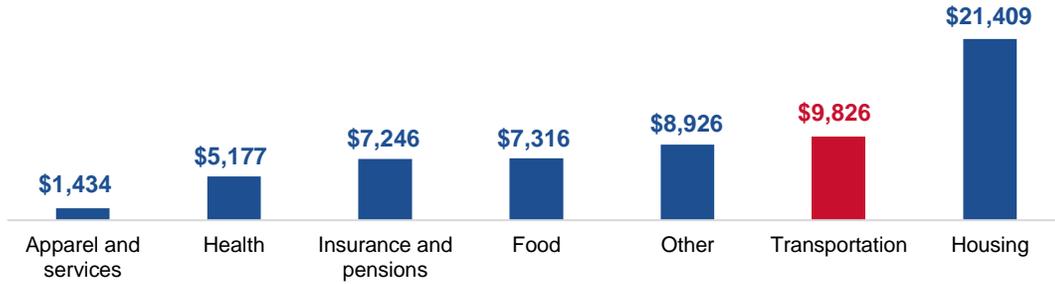
- Improve federal and state EV incentive programs so that families with low and moderate incomes can afford the higher up-front cost of EVs, and make sure that the incentives are available at the time of purchase.
- Ensure that EV incentive programs encourage production of affordable vehicles. Cap transaction amounts at a level that encourages manufacturers to focus on affordable cars, and provides more affordable EVs for the used car market in the future.
- Create programs to provide loans on fair terms to low-income consumers buying more efficient cars, including EVs.
- Improve consumer protections against abusive auto sales and finance practices for all cars, including EVs. In the current used car market, financing costs may be well above the rates a consumer should receive based upon credit worthiness, and are generally a bigger expense for low-income borrowers and drivers than the current increase in the price of gasoline.
- Keep electricity and home energy affordable. Consumers need to trust that they have access to affordable and reliable electric service before making the switch to electricity as their transportation fuel. Support [utility bill affordability](#) programs.
- Ensure that a reduction in transportation costs is one of the outcomes of the President's [Justice40 Initiative](#), which is a plan to deliver at least 40 percent of the benefits of federal climate, clean energy, and other investments to underserved communities.
- Support low-income car ownership programs.
- Support electrification of public transit and school buses.
- Support affordable broadband for consumers, and programs such as the [Affordable Connectivity Program](#) and [Lifeline](#), so the Digital Divide doesn't block families from benefiting from electric vehicles. EV drivers need broadband access for software updates, to find charging stations, to determine the real time availability of those stations, and to pay for charging with a mobile wallet.

For more information about Transportation and EV equity, see these resources:

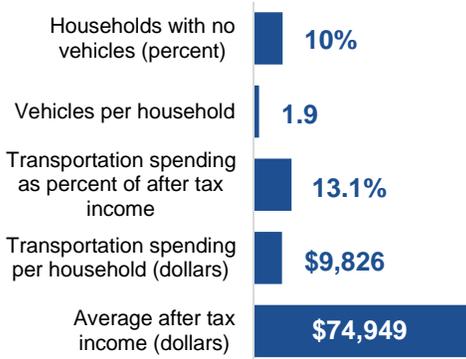
- NCLC. [Time to Stop Racing Cars](#)
- NCLC, [Principles for Fair Investment in Electric Vehicles and Transportation Electrification](#)
- Bureau of Transportation Statistics, [Transportation Economic Trends: Transportation Spending - National](#)

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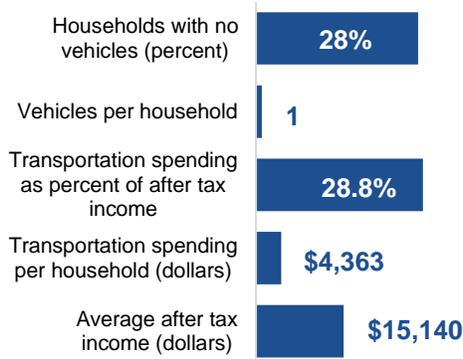
2020 Average Household Expenditures



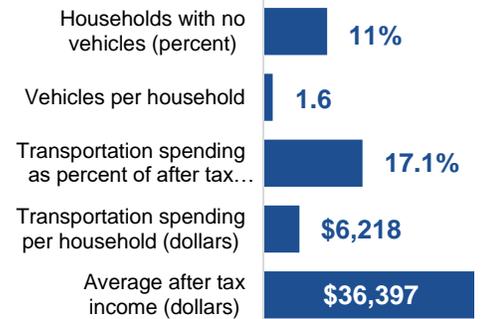
All quintiles



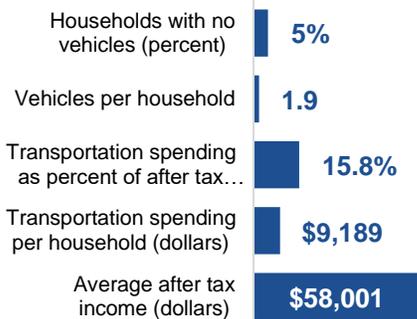
First quintile (\$0 to 24,009)



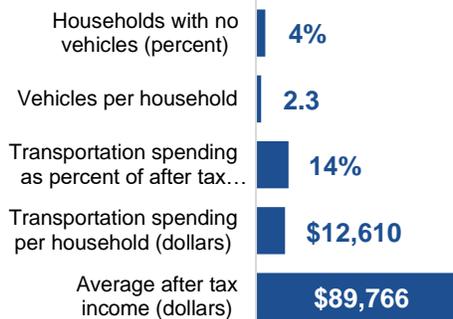
Second quintile (\$24,010 to 45,264)



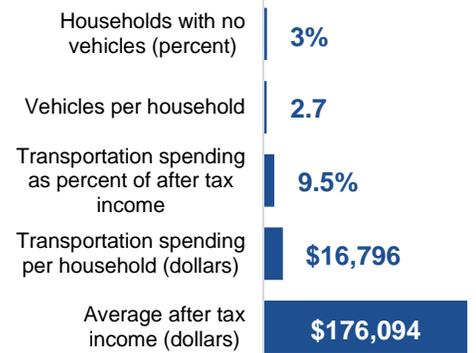
Third quintile (\$45,265 to 75,889)



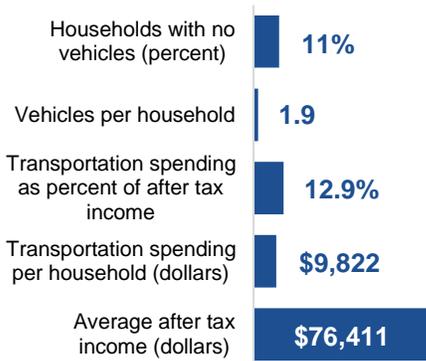
Fourth quintile (\$75,890 to 124,431)



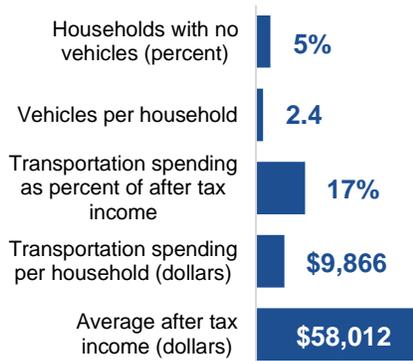
Fifth quintile (\$124,432+)



Urban



Rural



SOURCES:

U.S. Department of Labor, Bureau of Labor Statistics, [Consumer Expenditure Survey](#).

Quintile Maps: U.S. Department of Labor, Bureau of Labor Statistics, [Table 1101. Quintiles of income before taxes: Annual expenditure means, shares, standard errors, and coefficients of variation, Consumer Expenditure Surveys](#).

Urban & Rural Charts: U.S. Department of Labor, Bureau of Labor Statistics, [Table 1720. Type of area: Annual expenditure means, shares, standard errors, and coefficients of variation, Consumer Expenditure Survey](#).