

Estimated Impact of Rising Gasoline Prices, Wichita MSA

“If households spend more at the pump, they have fewer dollars to spend elsewhere. These changes are likely to occur across all categories of retail spending, as well as expenditures for entertainment and dining out,” said Janet Harrah, director of the Center for Economic Development and Business Research at Wichita State University.

“At a price of \$3.00 per gallon, household spending for fuel to operate personal vehicles accounts for approximately 9 percent of taxable retail spending. Each \$1 change in the price of gas at the pump means that households shift approximately \$218 million from other retail expenditures,” Harrah added.

Analysis Assumptions:

- No change in driving habits.
- No inflationary impacts on other goods and services.
- No estimation of impact of commercial vehicles and rising gas prices

Number of Households	218,000	
Avg. Gallons of Gasoline Purchased Annually Per Household ¹	1,000	
Price of Gasoline per Gallon	Total MSA expenditures on gasoline at various prices per gallon of gasoline	Percent of total MSA Taxable Retail Sales in 2004 ²
\$1	\$ 218,000,000	3%
2	436,000,000	6%
3	654,000,000	9%
4	872,000,000	12%
5	1,090,000,000	15%
6	1,308,000,000	18%
¹ Data source: CEDBR estimate based on a variety of government sources on driving habits, vehicle type and gasoline consumption patterns.		
² Total taxable retail sales in Wichita MSA 2004 = \$7,284 million		

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