The Obama Administration and automakers reached an unprecedented agreement in July 2011 by proposing an average fuel economy standard of 54.5 miles per gallon by 2025 for passenger vehicles. Ceres—a national coalition of investors, business leaders, and public interest groups—has sifted the data and found that 54.5 mpg will be good for business, good for the economy and good for American families, both in Missouri and across the nation.

A closer look at the economic benefits of President Obama’s 54.5 mpg agreement finds:

**Higher gas mileage standards are good for Missouri’s economy**

An economic analysis for Ceres conducted by Management Information Services, Inc., found that stronger mileage standards would boost the economy in Missouri — and across the nation.

- The 54.5 mpg standard would create more than 10,900 new jobs in Missouri.
- The 54.5 mpg standard would boost Missouri’s GDP by about $1.51 billion; Missouri would be ranked eleventh in terms of percentage GDP growth resulting from the standards.
- Across the United States, the 54.5 mpg standard would create about 484,000 new jobs:
  - 43,000 of these new jobs would be in the auto industry.
  - 49 states would see net gains in employment.

“It’s time to put our economy into high gear - strong standards will unleash American innovation, boost sales and protect American auto jobs.”

Mindy Lubber
Ceres President
Higher gas mileage standards are good business for the US auto industry and investors

A recent Ceres/Citi Investment Research report, using analysis by the University of Michigan Transportation Research Institute, showed higher fuel economy standards would benefit the auto industry, especially the Detroit 3. In addition, key U.S. suppliers of advanced technologies would benefit.

Increasing industry average fuel economy to 42 miles per gallon by 2020 could raise industry variable profit by $9.1 billion, or 8 percent. Most of the added profit, $5.1 billion, could go to the Detroit 3.

President Obama’s announcement of 54.5 mpg by 2025 means cars would be required to average a 5 percent improvement in fuel economy each year from 2017 through 2025, while trucks would only need to rise 3.5 percent a year through 2021. This most closely aligns with the 4 percent per year improvement for CAFE mileage and GHG emission reduction in the Ceres report ‘More Jobs Per Gallon.’

www.ceres.org/more-jobs-per-gallon