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 Ohio 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 Ohio’s economy**

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

The 54.5 mpg standard would create more than 23,800 new jobs in Ohio, making it #4 among all states in terms of total new jobs created.

The 54.5 mpg standard would boost Ohio’s GDP by about $3.27 billion; Ohio would be ranked fourth in terms of total 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

**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.
Ohio voters overwhelmingly support stronger mileage standards

Voters believe increased efficiency will spur innovation and create jobs. They don’t believe the rhetoric that higher mileage standards would cost jobs or hurt US automakers. An April poll by The Mellman Group for Ceres found:

- 80% of likely Ohio voters believe a national 60 mpg standard would encourage American car makers to innovate, boosting sales and protecting American auto jobs
- Every group of likely voters overwhelmingly supports 60 mpg, including 68% of Ohio Republicans and 69% of Ohio conservatives.

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

Ceres leads a national coalition of investors, environmental organizations and other public interest groups working with companies to address sustainability challenges. www.ceres.org