

As Gas Prices Rise, Kelley Blue Book Recommends Shoppers Weigh Options Carefully Before Making Vehicle Purchase

Experts Advise Consumers to Do the Math; Offer Recommendations, Pricing, Incentives Information for Fuel-Efficient Models

IRVINE, Calif., Feb. 23, 2012 /PRNewswire/ -- Kelley Blue Book www.kbb.com, the leading provider of [new car](#) and [used car](#) information, today advises in-market car shoppers to weigh their options carefully before making vehicle purchase decisions, in light of rising fuel prices.

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Fuel prices are up to \$3.59 per gallon nationally and there are growing concerns that they will surpass \$4.00 per gallon sometime this year. Fuel and oil prices have surged amidst rising tensions in Iran and if a resolution is not reached quickly, the United States could see fuel prices approach 2008's record high of \$4.11 per gallon, based on speculation alone. In addition, if the Persian Gulf oil supply is disrupted for any reason, the United States could see fuel prices well beyond \$4.00 per gallon, to levels that could potentially send the country back into a recession.

In-Market Car Shoppers Should Do the Math; Fuel Price Hike May Not Break the Bank for Everyone

While gas prices may surpass \$4.00 per gallon in the short term, Kelley Blue Book experts advise consumers to determine the overall savings of swapping out their current ride for something more fuel efficient, versus the incremental increase in money spent on fuel.

"Assuming the average consumer drives 12,000 miles per year in a vehicle that gets 20 mpg, an increase of \$1.00 per gallon, from \$3.60 to \$4.60 per gallon as an example, would only result in an approximate increase of \$11.50 per week in fuel expenses," said Alec Gutierrez, senior market analyst of automotive insights for Kelley Blue Book. "While in today's economic environment many families are on an extremely tight budget and \$11.50 per week may be enough to break the bank, for others, it would amount to a small lifestyle change, such as bringing a sandwich to work rather than going out to lunch, or perhaps cutting back on Starbucks."

Consumers Should Not Expect Significant Discounts on Fuel-Efficient New Vehicles

In today's market, there are plenty of options available in a variety of segments for consumers seeking to reduce their pain at the pump. Those considering a [mid-size sedan](#) can look to the all-new [Toyota Camry Hybrid](#), which offers 41 mpg on the highway, or the all-new 38-mpg [Chevrolet Malibu Eco](#). The [Ford Fiesta](#) and [Hyundai Accent](#) are excellent choices for budget-conscious consumers who do not need a lot of space. Each of these [subcompacts](#) is available for around \$15,000 and offer 40 mpg on the highway.

If consumers are planning to purchase one of these vehicles in the next few months, they should not expect dealers to offer significant discounts. In both 2008 and 2011, Kelley Blue Book saw monthly market share for [compact cars](#) increase by more than 3 percentage points when fuel prices peaked, and as more consumers flock to compacts, prices will remain firm.

New Vehicles Offering 30+ MPG for a Reasonable Price

Make	Model	Trim	MSRP	FPP	Cash	Price with	Finance	Fuel Economy		
					Rebate	Incentive	APR	City	Combined	Highway
Hyundai	Accent	GLS Sedan 4D	\$13,205	\$12,602		\$12,602	3.90%	30	33	40
Ford	Fiesta	SE Sedan 4D	\$15,295	\$14,605		\$14,605		29	33	40
Nissan	Versa	SV Sedan 4D	\$15,650	\$14,778		\$14,778		30	33	38
Ford	Focus	SE Sedan 4D	\$18,295	\$17,402	\$2,000	\$15,402	2.90%	28	33	40
Chevrolet	Sonic	LT Sedan 4D	\$15,860	\$15,448		\$15,448	2.90%	29	33	40
Honda	Civic	LX Sedan 4D	\$18,625	\$17,498		\$17,498	0.90%	28	32	39
Nissan	JUKE	SV Sport Utility 4D	\$22,090	\$20,524	\$500	\$20,024		27	29	32
Volkswagen	Jetta	2.0L TDI Sedan 4D	\$23,295	\$22,293		\$22,293	1.90%	30	34	42
Honda	CR-V	EX Sport Utility 4D	\$25,205	\$24,262		\$24,262	0.90%	23	26	31
Toyota	Prius	Two Hatchback 4D	\$24,760	\$24,636		\$24,636		51	50	48
Toyota	Camry	LE Hybrid Sedan 4D	\$26,660	\$24,839		\$24,839		43	41	39
Chevrolet	Malibu	Eco	\$25,235	-		\$25,235		25	29	37

All incentives listed are subject to change and may or may not be combined, check with your local dealer or manufacturer's website to verify local offers. Kelley Blue Book's Fair Purchase Price (FPP) relies on actual transactions from around the country

Values for Used Fuel-Efficient Vehicles Could Jump At Any Time; In-Market Consumers Should Act Quickly

Used-car shoppers can expect to see even more significant price increases in the months ahead if gas prices continue on their current upward trajectory. Given the limited supply, used cars tend to be more volatile when fuel prices increase aggressively, especially values of fuel-efficient compacts and [hybrids](#). In both 2008 and 2011, values of used fuel-efficient vehicles increased by more than 20 percent, only to retreat once fuel prices cooled down. If fuel prices surpass \$4.00 per gallon again, Kelley Blue Book would expect to see similar gains this year. Therefore, consumers seeking a used compact to combat rising fuel prices are advised to act quickly. Values have been relatively stable so far this year but as fuel prices continue to climb, it is only a matter of time before values begin to pick up steam.

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