

[Here is an impressive blog post](#). I didn't write it! [Shakeb Afsah](#) and [Kendyl Salcito](#) present a data filled post that takes [David Owen's Rebound Effect](#) quite seriously. I respect hypothesis testing!

Owen's sexy hypothesis is that the Prius actually contributes to climate change! How could this happen? The Prius has such a high MPG that it effectively reduces the price per mile of driving. If demand is really elastic, then people could respond to this incentive by driving so much more that their total gasoline consumption increases relative to the amount they would have consumed had they owned a Hummer! This is the "rebound effect". Energy efficient products lead us to use them more and thus "backfire".

As an economist, I agree with this logic but as an empiricist I don't believe that the behavioral response could be this large because of the time component of driving the car. The impressive part of the blog post is that the authors quote actual data collected by Ken [Gillingham of Yale](#). Using California data from registered vehicles, he documents that Prius drivers drive the same amount as other drivers. So, Owens is wrong — Long live the Prius!