

Two recent interesting and potentially related articles in the LA Times suggest an encouraging trend. California drivers are consuming less gasoline, a trend that began in 2006. And U.S. car buyers may begin to look more like European consumers, buying smaller, more fuel efficient cars and keeping those cars longer.

As the Times reports in [\*High Gas Prices Drive Changes in California Gas Consumption\*](#), California gasoline consumption has dropped eleven consecutive quarters. That means the trend predates the recession. Observers tie the drop in consumption to increases in fuel prices, not to economic conditions. The first noticeable shift in gas consumption actually began in 2005, when drivers for the first time saw the price of gas spike above \$3 a gallon. Though 2005 consumption still increased, the pace of increase was a tenth of what it had been from 2000-04. What is especially interesting about the trend is that even though gas prices quickly fell again, a behavioral shift began that has continued unabated and seems to be tied to fuel prices that exceed \$2 a gallon.

The L.A. Times also [reports](#) that consumers are changing their car buying habits, though this trend seems to be more tightly tied to the economy. Two changes are noteworthy: fewer people are buying new cars and the cars they're buying are smaller. Curiously, the Times does not attribute the buying shift to gas prices. Instead, lack of credit, lack of savings and lack of home equity are the biggest factors: when credit was easy, retirement accounts were growing and consumers could pull equity out of their homes to purchase new SUVs, car sales soared. We aren't likely to see a rapid return to loose credit or soaring home prices so the trend in car buying may be a lasting one.

All of this is good news for the environment. Driving smaller, more fuel efficient cars for fewer miles is good for air quality, good for traffic congestion and good for climate change. We'll still need to do more but I'm happy to take good news where I can find it.