

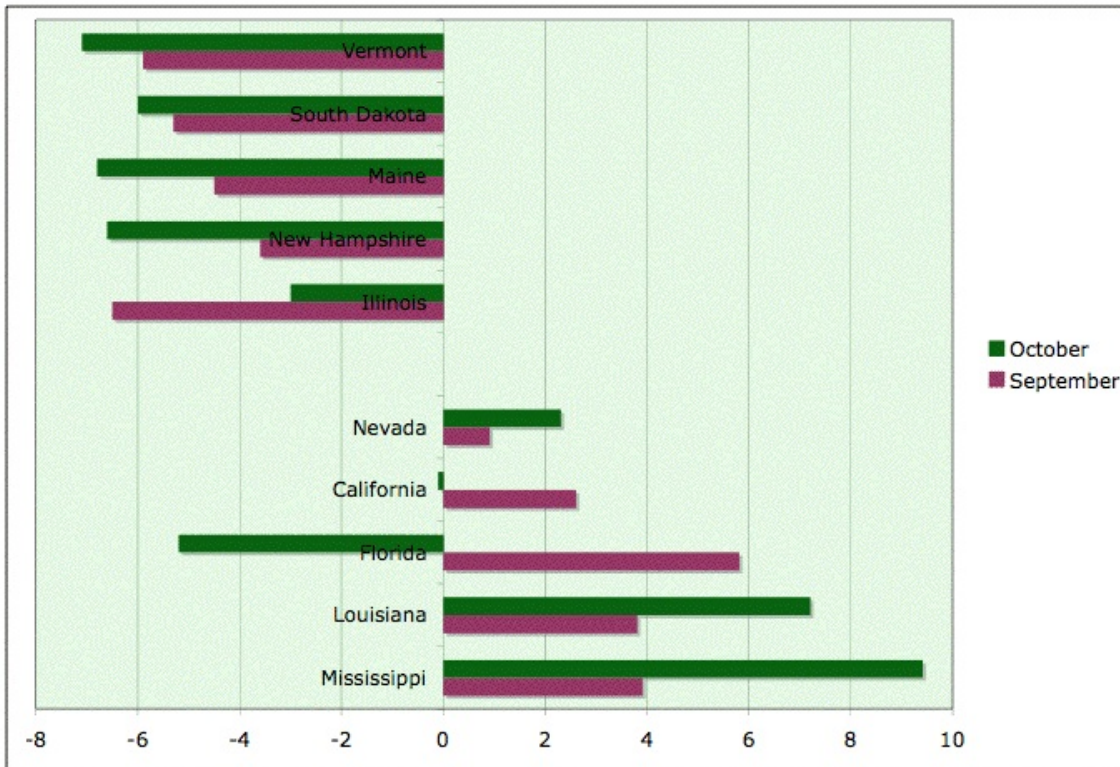


Hurricanes increase driving, gas prices decrease it

Posted by [Stuart Staniford](#) on December 23, 2005 - 5:22am

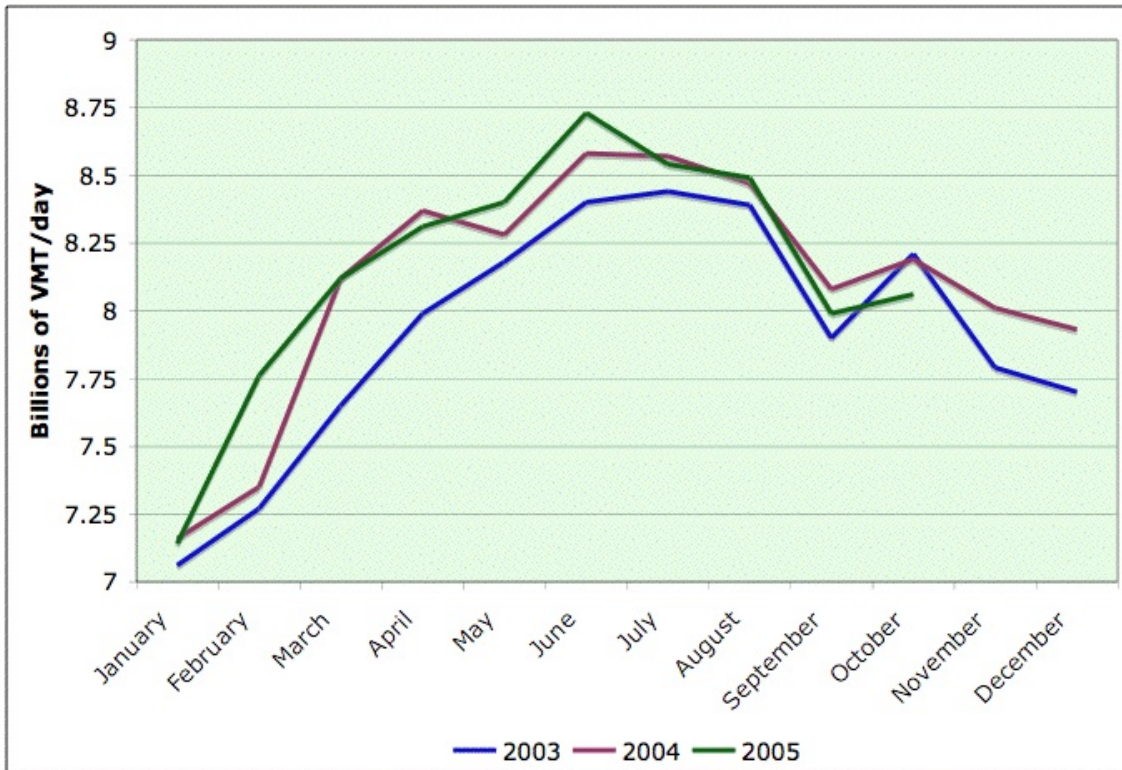
Topic: [Economics/Finance](#)

Tags: [hubbert peak](#), [oil prices](#), [peak oil](#), [vmt](#) [[list all tags](#)]



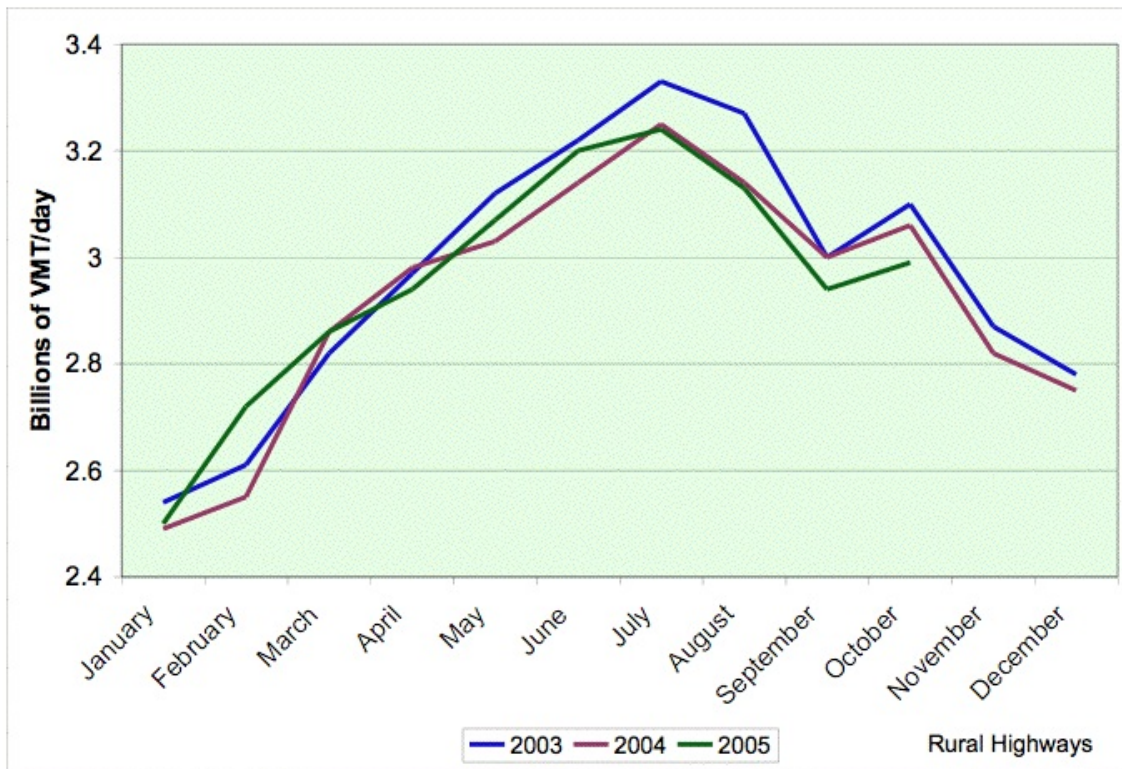
Percentage change between monthly VMT in 2005 and the same month in 2004, by state, for five hardest hit and five most favored states. Click to enlarge. Source [October FHWA Traffic Volume Trends](#)

So the Federal Highway Administration has been catching up, after a long hiatus, and now has put out October numbers as well as September numbers for vehicle miles traveled. This allows us to see that the combination of hurricanes and high gas prices had an effect, with miles dropping 1.6% from October 2004 to October 2005. October was even below the 2003 number for that month (although that last looks particularly high). It will be interesting to see how much of a recovery there was in November and December as gasoline prices have moderated somewhat.



US Vehicle Miles Traveled (VMT) for the last three years through October. Click to enlarge.
 Graph is not zero-scaled. Source [October FHWA Traffic Volume Trends](#)

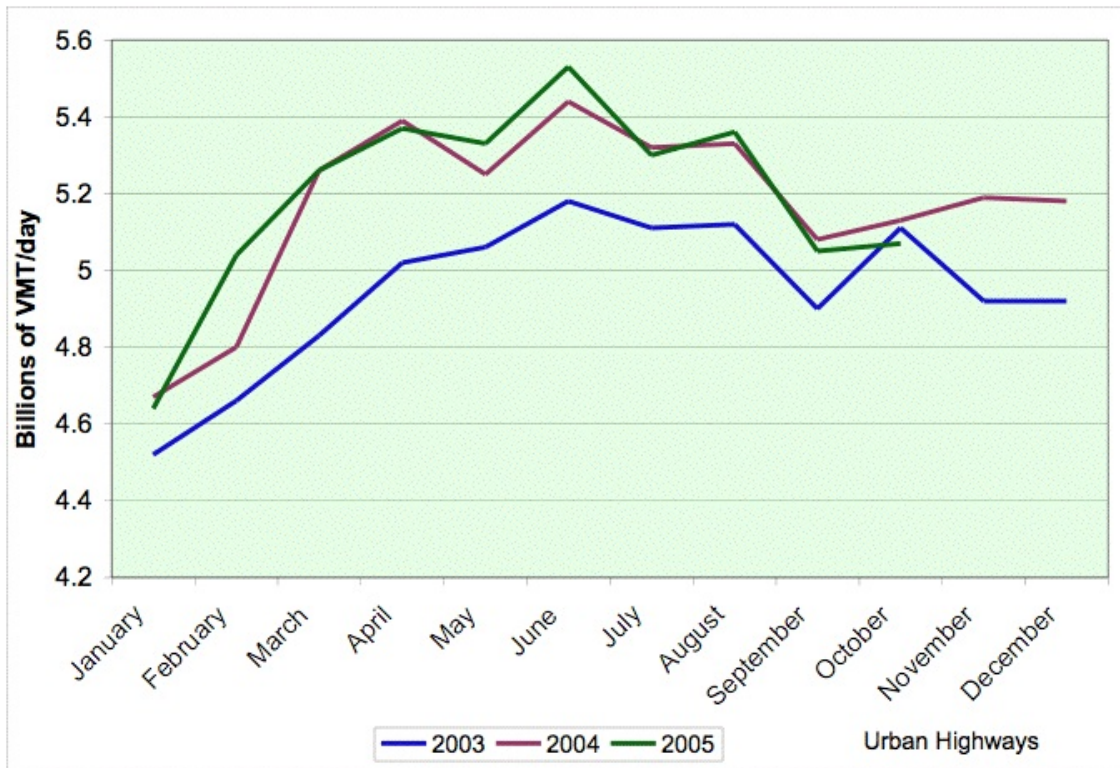
The FHWA breaks out statistics by class of roads. Rural traffic has been suffering at least since the beginning of 2004. Presumably this reflects that rural economies are less wealthy and more gasoline dependent, and long haul travel is more sensitive to diesel costs.



US VMT on rural highways only for the last three years through October. Click to enlarge.

Graph is not zero-scaled. Source [October FHWA Traffic Volume Trends](#)

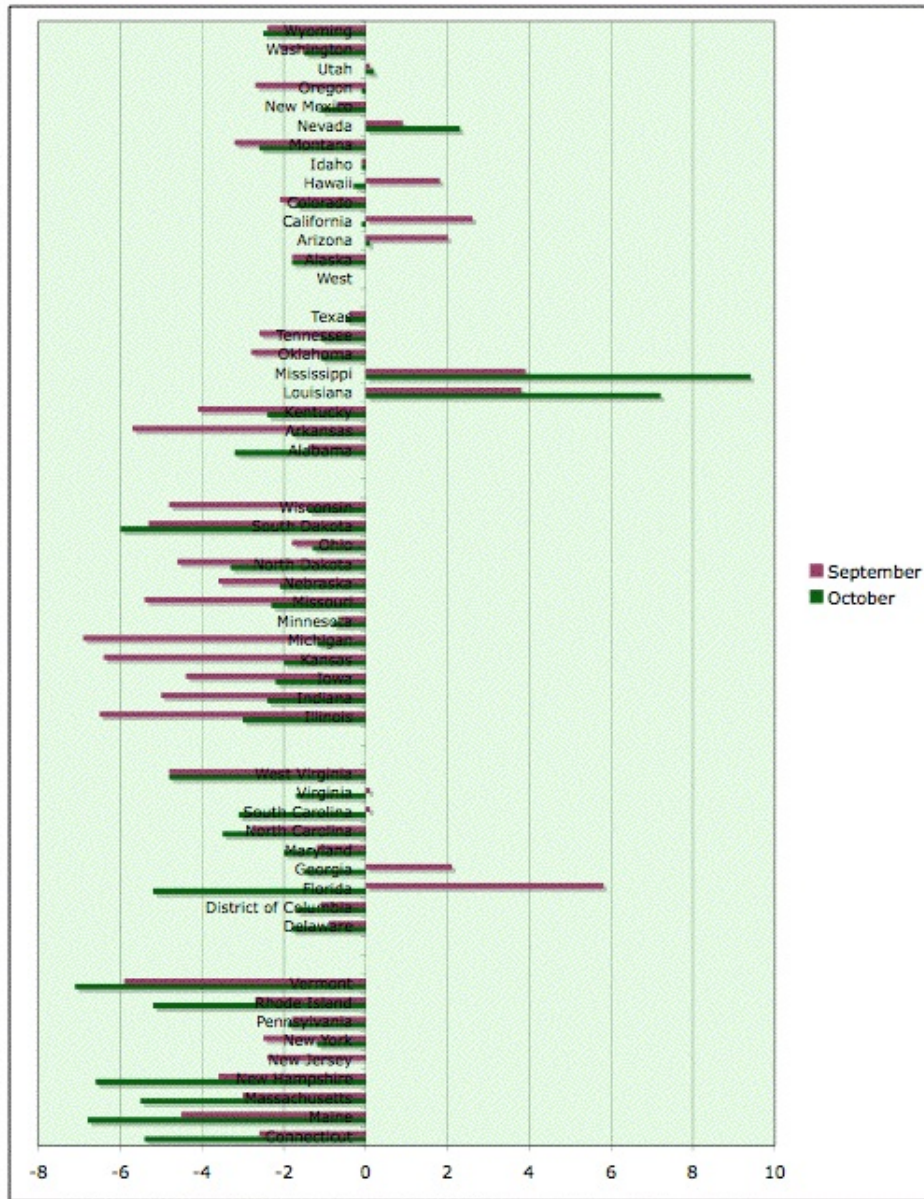
By contrast, there is little pain visible on urban highways till this year. However, the effect was pretty substantial by October.



US VMT on urban highways only for the last three years through October. Click to enlarge.

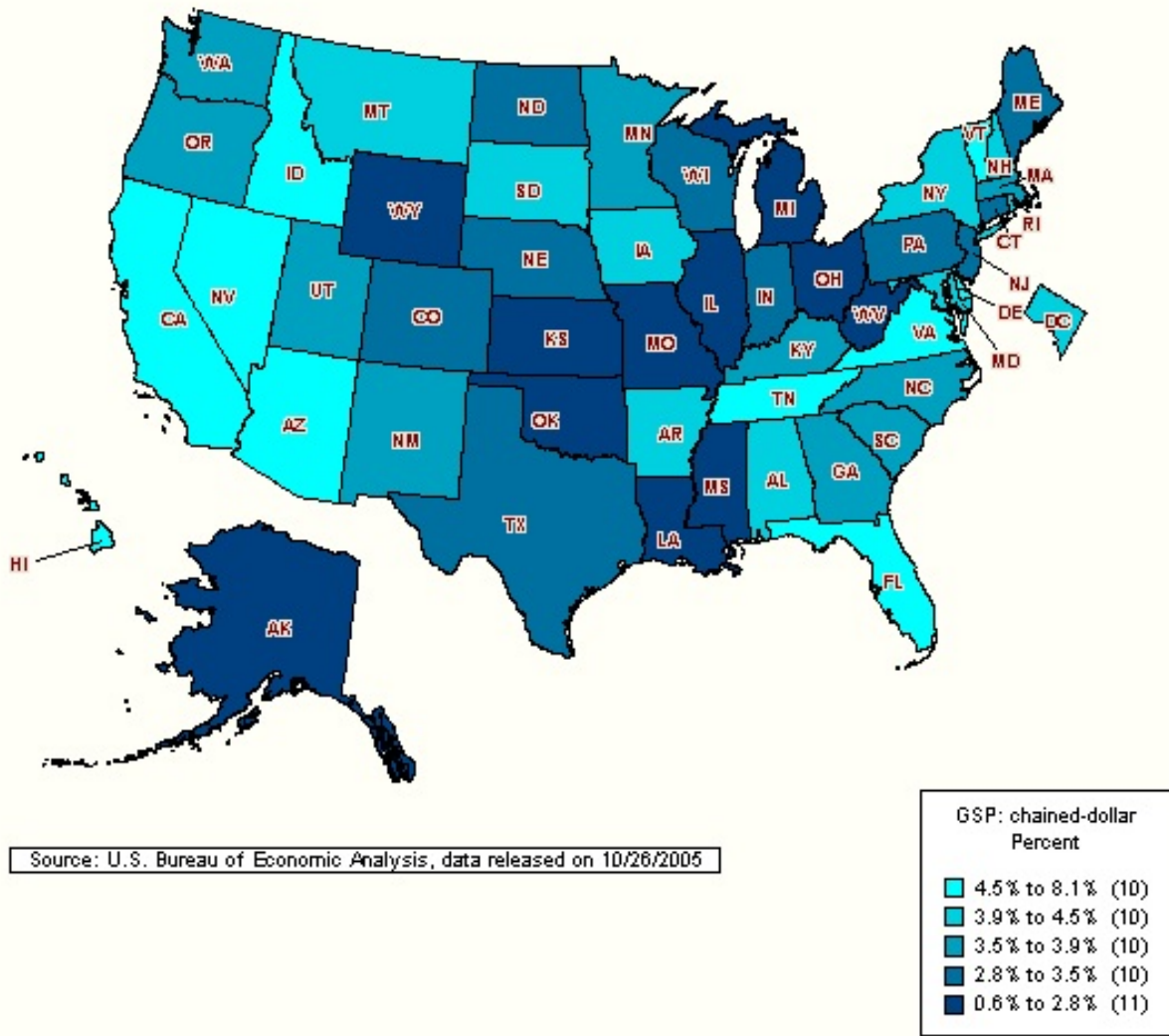
Graph is not zero-scaled. Source [October FHWA Traffic Volume Trends](#)

Finally, the most interesting question. Did the hurricanes mainly reduce VMT by direct effects on travel in the affected region, or by price? Turns out to be price: absolutely no doubt about it. Louisiana and Mississippi saw a huge **increase** in VMT, but the rest of the country reduced VMT. The North East was hit hardest, and the West was affected the least.



Percentage change between monthly VMT in 2005 and the same month in 2004, by state. Click to enlarge. Source [October FHWA Traffic Volume Trends](#)

Here's a [map from the Bureau of Economic Affairs](#) of average annual GDP growth from 2002-2004 by state.



What you can see is that the states that had to reduce VMT were pretty much the states that had slower growth economies. This may be a general truth: the slower your growth now, the more you'll have to reduce as peak oil bites. New England seems to be seeing a little extra drop in October - nobody going up to see the fall colors, maybe, with gas prices so high?



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