

ECONOMIC SNAPSHOT

Rising gas prices: Sixty cents can really add up

After Katrina hammered the Gulf Coast this week, gasoline prices in Madison jumped another 60 cents a gallon. What's the impact on local consumers and businesses? Anyone who filled a 20-gallon gas tank on Wednesday night, at \$3.25 a gallon, instead of Wednesday morning, at \$2.85, paid an additional \$8.

Over the course of a year, a 60-cent per gallon increase means that the average Madison household will spend about \$500 more on gasoline. Since September 2003, gasoline prices in Madison have more than doubled, increasing about \$1.70 per gallon. All but a small portion of the money spent on gasoline leaves the local economy.

To calculate the cost of rising gasoline prices on your community: www.uwex.edu/ces/cced/indicate.html, and click on "Increased Fuel Expenditures Flowing Out-of-State."

Additional money spent on gasoline over one year

	60-cent increase	\$1.70 increase
Average family*	\$517.88	\$1,486.23
Madison	\$46.1 million	\$130.7 million
Dane County	\$103.2 million	\$292.4 million
Wisconsin	\$1.3 billion	\$3.7 billion

* Estimate calculated from community totals

SOURCE: U.S. Census,
market research

QUESTIONS: Send questions, comments to
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