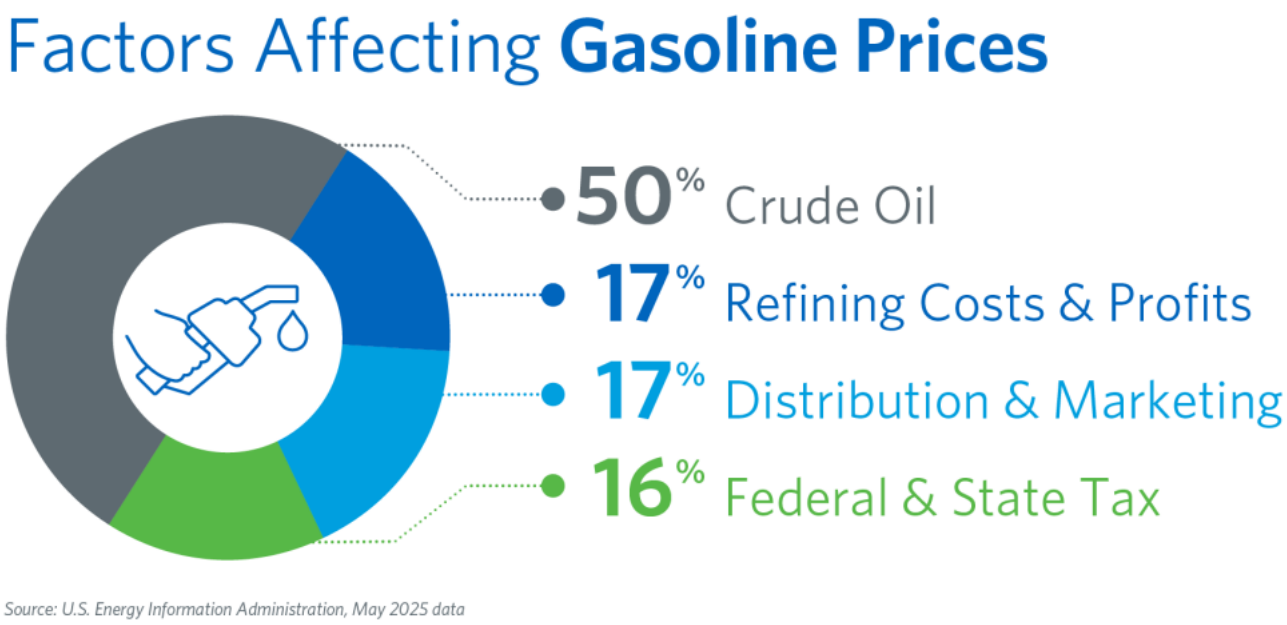
AAA expects roughly 45 million travelers to head out of town and go at least 50 miles from home over the upcoming Memorial Day weekend, breaking a 20-year travel record in the process. The vast majority of these travelers—nearly 90%—are likely to be road warriors, driving cars and trucks fueled by American-made gasoline.

Understandably, these drivers will be paying close attention to gasoline prices, and according to the U.S. Energy Information Administration (EIA), prices at the pump are at a multi-year low heading into Memorial Day weekend. A gallon of regular gasoline is expected to be about 50-cents lower this Memorial Day holiday than last, and well below the 2022 price tag of $4.69 per gallon.

There are a host of factors that impact the prices Americans pay for gasoline, starting with the price of crude oil. As the key ingredient, or feedstock, for fuels like gasoline and diesel, crude oil is responsible for more than half of what consumers pay at the pump. The price of crude oil is set in the world market, not by individual producers and not by the refineries that process crude into gasoline.



Beyond crude oil (accounting for 50% of finished gasoline prices), other factors that contribute to what drivers pay at the pump include:

- **federal and state taxes** (roughly 16% of the total cost, but considerably more in states like California, Nevada, Illinois and Pennsylvania),
- **refining costs and profits** from manufacturing crude oil into gasoline (17% of total finished gasoline costs), and
- **costs to market and distribute** gasoline through pipelines, marine vessels, regional storage

terminals and trucks (17% of total costs).

So, as we head into a potentially record-summer driving season, remember gasoline prices are complicated and influenced by a number of factors. Visit these sources for a refresher on summer gasoline blends, an explanation of how state policies affect pump prices and a full breakdown of how the energy market impacts fuel prices.

Print as PDF:

Media Contact:

Ericka Perryman

media@afpm.org

202.457.0480

About AFPM:

The American Fuel & Petrochemical Manufacturers (AFPM) is the leading trade association representing the makers of the fuels that keep us moving, the petrochemicals that are the essential building blocks for modern life, and the midstream companies that get our feedstocks and products where they need to go. We make the products that make life better, safer and more sustainable — we make progress.

Topics

Gasoline

Fuel Products