

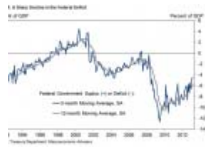
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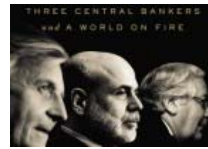
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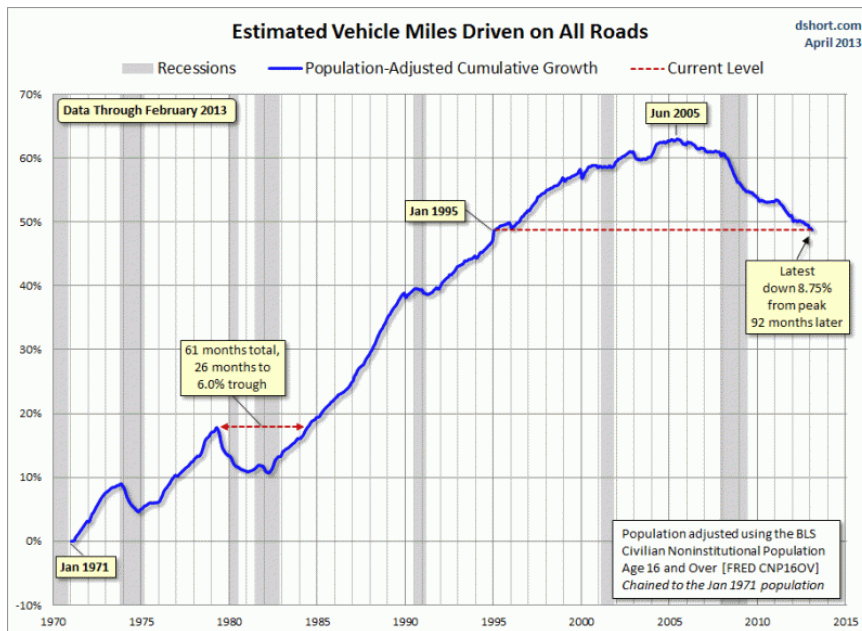
Why aren't younger Americans driving anymore?

Posted by Brad Plumer on April 22, 2013 at 11:02 am

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Ever since the recession hit in late 2007, Americans have been driving less and less. Was that because of the horrible economy? To some extent, perhaps. But it's striking that Americans are *still* cutting back on driving even though the economy is growing again.

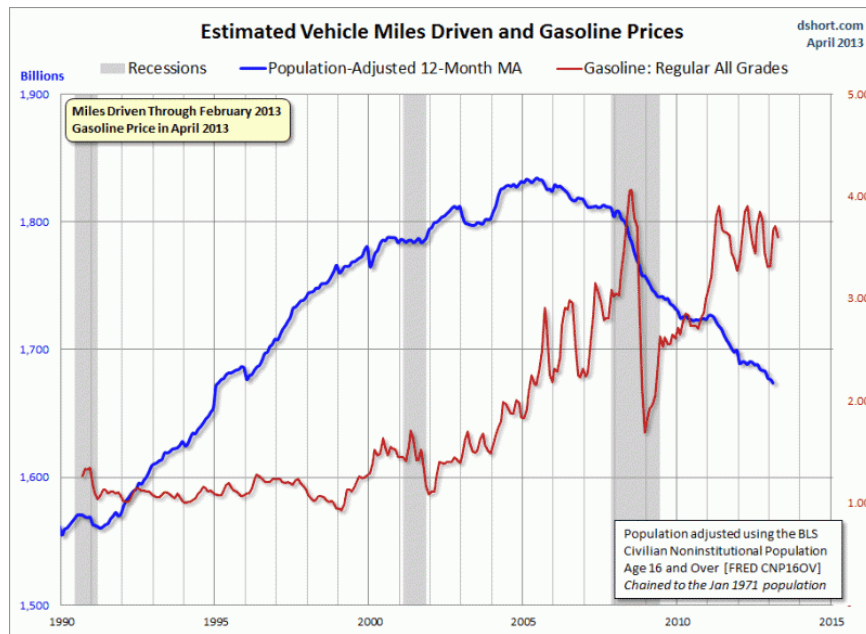
Doug Short, who charts financial data, has put together a nice graph that uses the latest Transportation Department data on vehicle-miles driven and adjusts for population growth. Looked at this way, the plunge in driving is even more startling and began back in June 2005:



A bit of historical perspective is useful. This isn't the first time Americans have pared back their driving habits — after the OPEC oil shock in the late 1970s, miles driven fell about 6 percent from the peak, though they started climbing again by the end of the recession in 1982.

This time, however, the drop has been much more severe. Since June 2005, vehicle miles driven have fallen 8.75 percent. The decline has persisted for 92 months and there's no sign it's abating.

What's happening? High gasoline prices are one obvious factor. The price at the pump has been lurching upward since 2005 and appears to be forcing people off the road:



But that's probably not the whole story. The correlation isn't perfect, for one. And vehicle miles driven have continued to drop since 2011, even though retail gas prices have remained relatively stable (though still at a historically high level).

The aging of the Baby Boom generation is a second big factor here. Americans over the age of 55 tend to drive less, so the fact that the United States is aging overall makes a difference.

But another huge part of the story is that young Americans are driving much, much less. **Between 2001 and 2009, the average yearly number of miles driven by 16- to 34-year-olds dropped a staggering 23 percent.**

The Frontier Group has the most comprehensive look yet of why younger Americans are opting out of driving. Public transportation use is up 40 percent per capita in this age group since 2001. Bicycling is up 24 percent overall in that time period. And this is true even for young Americans who are financially well off. Here are five big hypotheses:

–**The cost of driving has gone up.** In some ways, it's become more expensive to drive a car over the years. Rising gas prices are the most visible factor, but there are others. As I noted last week, there's evidence that high student debt is hampering some younger borrowers from buying cars. And auto-insurance rates have soared in recent years, driven by a boom in commodity prices (which make repairs more expensive) and higher health care costs.*

–**The recession.** This is a big one. If fewer people have jobs, fewer people will commute. That said, unemployment can't explain the entire drop. The Frontier Group notes that driving is down “even among young people who are employed and/or are doing well financially.”

–**It's harder to get a license.** From 1996 to 2006, every state enacted graduated driving laws that make it more cumbersome for young people to get licenses. “Young people must now take more behind-the-wheel training (which is more expensive), fulfill additional requirements for permits, and once they are allowed to drive, they are often restricted to

driving in the daytime without passengers.” The number of younger Americans without a driver’s license has risen from 21 percent to 26 percent since 2001.

–**More younger people are living in transit-oriented areas.** Younger Americans appear to be more likely to live in denser, transit-oriented neighborhoods. Brooklyn, say. Surveys suggest that young people “prefer to live places where they can easily walk, bike, and take public transportation.”

Ecological concerns play a small role too, judging from survey data: “Some young people purposely reduce their driving in an effort to curb their environmental impact.”


–**Technology is making it easier to go car-free.** For one, there’s Facebook: “Communications technology, which provides young people with new social networking and recreational possibilities, has become a substitute for some car trips.”

But technology can also bolster the appeal of mass transit: “Websites and smart phone apps that provide real-time transit data make public transportation easier to use, particularly for infrequent users.”


Will the U.S. decline in driving last? Much depends on whether oil and gas prices stay high—this is where discussions of “peak oil” become relevant — and on how quickly the U.S. economy rebounds. But if there has been a genuine cultural shift among younger Americans, then driving may not rebound to the extent it did during the 1990s.

* **Update:** I added a bit on rising auto-insurance rates, which continued to climb 10 percent between 2008 and 2010 even though driving was down. Thanks to commenter visionbrkrwasbannedto for pointing out this part of the story.


* **Second update:** Also note that the decline in driving isn’t unique to the United States. Several other wealthier Western countries have seen a decline in driving rates, though often for slightly different reasons. Here’s a great collection of papers on the broader global trends. And yes, fast-growing countries like China and India are offsetting the decline by increasing their driving.




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