

## **Oil And Gas Companies Are Quick To Raise Prices On Consumers But Slow To Lower Them As Americans Are Left Feeling Pain At The Pump**

**SUMMARY:** In the last 12 weeks, American consumers have been struggling under the weight of high gas prices which are determined heavily by the cost of oil.

As oil spot prices fall, oil and gas companies are slow to lower the cost to consumers. Rather than pass on the lower oil prices to consumers, Big Oil keeps prices higher for drivers as they soak in more profits.

Meanwhile, spikes in oil prices are met with spikes in retail gas prices, in some cases more than doubling the price increase for consumers than the rise in oil spot prices.

The reason gas prices are staying high for consumers? Corporate greed. Big Oil is boasting record profits as they continue to squeeze all they can out of Americans' pocket books.

**In The Last 12 Weeks, Oil And Gas Companies Have Been Quick To Raise Prices On Consumers And Slow To Lower Them Despite Changes In Oil Prices.**

### **In The Last Two Months, Oil And Gas Companies Drag Their Feet To Lower Gas Prices For American Consumers When Oil Prices Drop...**

**Profits And The Cost Of Crude Oil And Primary Components In Determining The Retail Cost Of Gasoline.** "The retail price of gasoline includes four main components: The cost of crude oil; Refining costs and profits; Distribution and marketing costs and profits; Taxes" [EIA, accessed [01/21/22](#)]

**Oil And Gas Companies Profit By Keeping Gas Prices High Even When The Price Of Oil Falls.**

- On April 29, 2022, The Spot Price Of Oil Fell 1.12%, But The Retail Gas Prices A Few Days Later Had Risen By 1.76%.
- On May 13, 2022, The Spot Price Of Oil Dropped 1.58% While The Retail Gas Price On May 16<sup>th</sup> Shot Up By 3.68%.
- On June 24, 2022, The Spot Price Of Oil Plummeted 7.37%, But The Retail Gas Price Fell A Mere 1.72% Three Days Later.
- On July 8, 2022, The Spot Price Of Oil Fell 6.89%, But The Retail Gas Price Only Fell 2.56%

**...And Are Quick To Raise Prices At The Pump When Oil Prices Bump Up.**

## However, When Oil Spot Prices Rise, Oil And Gas Companies Are Quick To Raise The Retail Price Of Gasoline.

- On May 6, 2022, Oil Spot Prices Rose By 3.73%, Followed By A Near Identical 3.34% Rise In Retail Gas Prices Three Days Later.
- On June 3, 2022, Oil Spot Prices Rose By 2.64% While Retail Gas Prices Shot Up 5.39% On June 6<sup>th</sup>.

Week	Date	Oil Spot Prices*		Date	Retail Gas Prices**	
		Dollar/Barrel	% Change		Dollar/Gallon	% Change
1	04/22/22	\$104.02	-	04/25/22	\$4.21	-
2	04/29/22	\$102.85	-1.12%	05/02/22	\$4.29	1.76%
3	05/06/22	\$106.69	3.73%	05/09/22	\$4.43	3.34%
4	05/13/22	\$105.00	-1.58%	05/16/22	\$4.59	3.68%
5	05/20/22	\$112.18	6.84%	05/23/22	\$4.69	2.24%
6	05/27/22	\$113.38	1.07%	05/30/22	\$4.73	0.70%
7	06/03/22	\$116.37	2.64%	06/06/22	\$4.98	5.29%
8	06/10/22	\$120.43	3.49%	06/13/22	\$5.11	2.61%
9	06/17/22	\$116.46	-3.30%	06/20/22	\$5.07	-0.80%
10	06/24/22	\$107.88	-7.37%	06/27/22	\$4.98	-1.72%
11	07/01/22	\$110.96	2.86%	07/04/22	\$4.88	-2.01%
12	07/08/22	\$103.32	-6.89%	07/11/22	\$4.75	-2.56%

\* Oil Spot Price Source: EIA, Weekly Cushing, OK WTI Spot Price, accessed [07/18/22](#)

\*\*Retail Gas Price Source: EIA, Weekly All Grades All Formulations Retail Gasoline Prices, accessed [07/18/22](#)

## **The Reason Gasoline Prices Aren't Falling To Match Crude Oil Prices? Corporate Greed**

**Oil And Gas Companies Are Reporting Record Profits.** "Oil companies are reporting record profits. Shell said it expected its refining profits to nearly triple, adding \$1 billion to its bottom line, as the price of oil products surged because of a lack of refining capacity. BP reported its largest quarterly profit in a decade." [New York Times, [07/11/22](#)]

*Retailers Keep The Price Of Gas Elevated After Crude Drops Because Consumers Are Already Accustomed To The High Prices*

**Duke Professor Claimed That Gas Companies Jump At Opportunity To Increase Prices.** "Gas companies pounce on the oil price opportunity, according to Harvey. 'They've got the ability, given the optics, given it's in the news to increase their price and everybody does it,' he said." [WRAL.com, [03/15/22](#)]

**St. Louis Fed: Retailers Will Keep The Price Of Gas Elevated Even After The Price Of Crude Oil Has Decreased Because Consumers Are Already Accustomed To The High Prices.**

"Retailers will keep the price of gas elevated even after the price of crude oil has decreased

because consumers are already accustomed to the high prices, economists with the St. Louis Federal Reserve said. 'Since people do not tend to observe gasoline prices until they are ready to refuel their gas tanks, consumer expectations may be slow to adjust to pricing changes, allowing prices to remain relatively high,' the report says." [WRAL.com, [03/15/22](#)]

*Petroleum Expert Says Gas Stations Aren't In As Much Of A Hurry To Lower Prices When Oil Falls.*

**Petroleum Expert Says Gas Stations Aren't In As Much Of A Hurry To Lower Prices When Oil Falls.** "A petroleum expert with GasBuddy says that when there is a spike in the price of crude oil, that spike is felt at gas stations around 2 to 5 days later. But when oil prices fall, gas stations aren't in nearly as much of a hurry to lower gas prices." [KHAK.com, [03/16/22](#)]

**Gas Stations Lower Prices Slower Than They Raise Them To Recoup Money From When Oil Spikes.** "When oil prices rise so quickly, many gas stations will take a loss because they can't raise prices fast enough due to local competition. WHO reports that when prices drop, many stations will try and recoup some of those losses by slowly lowering their prices." [KHAK.com, [03/16/22](#)]