

Consumer Gas Prices Stay Sky-High While Oil Prices Tumble Thanks To Corporate Greed

SUMMARY: With the added threat of dangerous weather, consumers continue to struggle under the weight of high gas prices despite the falling cost of oil.

On September 26, 2022, oil fell below \$80 a barrel for the first time since January. However, prices for consumers are still 13% higher than they were last time oil was this cheap.

Why are gas prices still failing to match lower oil prices? Corporate greed. Big Oil is boasting record profits and dragging their feet to pass any lower costs onto consumers in order to keep padding investors' pockets.

Oil Prices Fell Below \$80 For The First Time Since January, But Americans Are Still Stuck Paying 13% More At The Pump

Ahead Of Hurricane Ian, President Biden Warned Oil And Gas Companies Not To Hike Prices For Consumers As People Are Still Stuck Paying More At The Pump.

Ahead Of Hurricane Ian, President Biden Warned Against Prices Hikes From The Oil And Gas Industry, Arguing The Storm Is "No Excuse" For Price Hikes.

President Biden Warned Oil And Gas Companies Against Using Hurricane Ian As An Excuse To Raise Gas Prices On Consumers. "President Joe Biden on Wednesday warned oil companies against increasing gasoline prices as Hurricane Ian nears the Florida coastline, vowing to conduct investigations if fuel prices rise. Biden, speaking at the White House Conference on Hunger, Nutrition, and Health, issued what he called "a warning to oil and gas industry executives: Do not – let me, repeat, do not – do not use this as an excuse to raise gasoline prices or gouge the American people." [...] "This small, temporary storm impact on oil production provides no excuse – no excuse – for price increases at the pump," Biden continued." [*Politico*, [09/28/22](#)]

Less Than 2% Of US Oil Production Was Suspended Ahead Of The Hurricane.

Suspended Oil And Gas Production Due To The Hurricane Accounts For Less Than 2% Of US Oil Production. "The Interior Department's Bureau of Safety and Environmental Enforcement, which oversees offshore oil and gas rigs in the Gulf of Mexico, said companies have suspended about 190,000 barrels a day of oil production in the Gulf of Mexico as Ian, a Category 4 hurricane, barrels through the eastern Gulf of Mexico toward Tampa. That would equate to less than 2 percent of total U.S. oil production." [*Politico*, [09/28/22](#)]

As Oil Prices Plummet Below \$80, Gas Prices For Consumers Are 13% Higher Than The Last Time Oil Was This Cheap.

On September 23rd, Oil Prices Below \$80 A Barrel For The First Time Since January 2022.

“The U.S. benchmark oil price tumbled below \$80 a barrel on Friday for the first time since January as traders grew increasingly worried that much of the world was headed into a recession or was already in one. [...] Oil prices had been rising for the better part of the past 12 months, and accelerated sharply when Russia invaded Ukraine in February. The U.S. benchmark oil price, West Texas Intermediate, settled at \$78.74 a barrel, down 5 percent, and the global benchmark, Brent, settled down 4 percent, to about \$86.15.” [New York Times, [09/23/22](#)]

Despite Oil Prices Now Sitting Only 1.2% Higher Than The Last Time They Dropped Below \$80 In January, Gas Prices For Consumers Are Still Up 13% Compared To The Same Time Period.

Date	Jan 10, 2022	Sept 23, 2022	% Change	Source
Oil Price	\$78.11	\$79.07	+1.2%	Link
Date	Jan 10, 2022	Sept 26, 2022	% Change	Source
Gas Price	\$3.394	\$3.832	+13%	Link

Gas Prices Still Sit Well Above Previous 2022 Lows Even After A 98 Day Streak Of Falling Prices At The Pump. “After sinking every day for more than three months, US gas prices edged higher – by a penny – to \$3.68 a gallon, on average Wednesday, according to AAA. That ends 98 consecutive days of falling pump prices, the second-longest such streak on record going back to 2005.” [CNN, [09/21/22](#)]

The Real Reason For Price Hikes? 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](#)]