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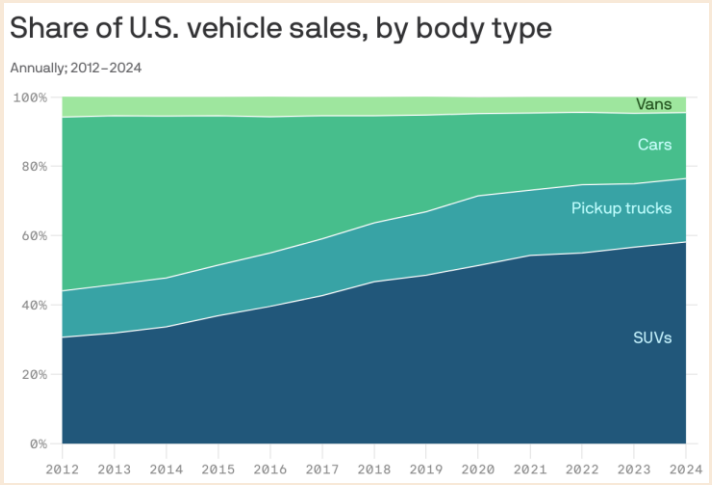
Vehicle Emissions May Decline Despite Slow EV Adoption

...and without climate community prompting.

On the surface this story about reaching "peak truck" appears straightforward, but in reality, it is multi-layered, encompassing everything from emissions, to tariffs, to inflation.

Is the love affair with pickup trucks over?



Data: Cox Automotive; Chart: Jacque Schrag/Axios

- No, Americans still love their pickup trucks, whether they need one or not.
- But that hasn't stopped sales from slowing for the utility vehicle that rarely serves its intended purpose.
- From 2012 to 2024 the share of pickup trucks sold increased from 13% to 18%.
- During that same timespan SUVs became the dominant body type seeing its share almost double from 30% to 58%.
- Cars were the big loser, with share dropping from 50% to 19%.

Why may pickup sales be peaking?

Inflation has impacted every facet of the auto industry.

The average monthly loan payment is now $755. To get that monthly nut down requires larger down payments.

Ownership costs are becoming more problematic for the average American.

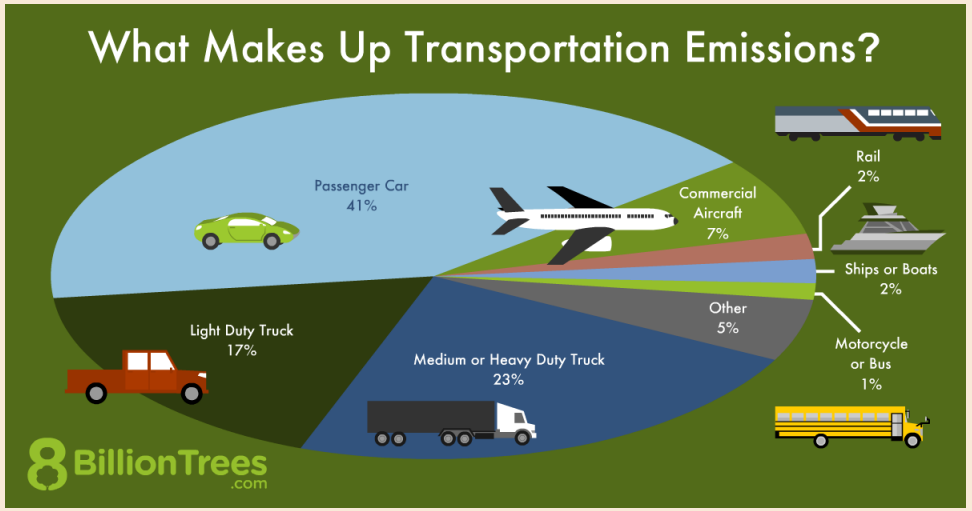
Inflation-induced sticker shock

- According to Cox Automotive, in January, the average price of a new truck was $59,684.
- The average price for an SUV: $47,667
- On the other hand, the average price of a new car comes in at a much more affordable $39,233.
- The sales price is only one factor. The cost of ownership is also increasing. According to federal data:
  - Maintenance costs have spiked 44% in the last six years
  - Insurance is up 52%
  - And gas prices have increased 30% from 2018 levels

Trucks are in the range of 30-40% less efficient than sedans and compact SUVs, and about 20% less efficient than a mid-sized SUV.

Assuming emission correlate closely with gas mileage any move away from pickup truck could have a meaningful impact on overall U.S. non-commercial transportation emissions.

The trend may be good for the environment



The data here was generated by Google's AI. I suspect it's generally correct, but likely not precise:

- The average gas mileage by body type is as follows:
  - Sedans and Compact SUVs: typically around 25-30 mpg
  - Mid-sized SUVs: 20-25 mpg
  - Full-size SUVs: often below 20 mpg
  - Trucks: usually around 15-20 mpg

Given many automakers rely on Canada and Mexico, tariffs on those countries would be more than a little problematic.

Steels tariffs may be a bigger problem as the typical car contains about 1,000 pounds of steel costing in the neighborhood of $6,000 - $7,000.

In a somewhat perverse way, tariffs could be environmentally beneficial.

Tariffs could make today's prices look cheap

This data comes from the National Highway Safety Administration, which may or may continue to operating. If it does, it publishes an annual report outlining the domestic percentage of each vehicle made in the U.S. and Canada. Here's a sample of the 2024 data for the most popular trucks:

- Ford F-150: 32%
- RAM 1500: 61%
- Toyota Tacoma: 35%
- GMC Sierra: 37%
- Chevy Silverado: 37%

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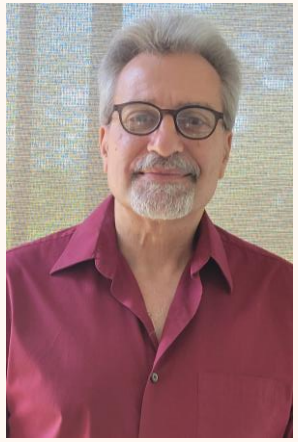

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