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Money

# Gas Prices Fall to Under \$4 a Gallon Nationwide. How Much Lower Will They Go?



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4 min read



The nationwide average for a gallon of unleaded was \$3.99 on Aug. 11.

Xavier Lorenzo/Getty Images

## What's happening

After reaching an all-time average high of \$5.02 in mid-June, the national average for a gallon of gas has finally slipped back under \$4.

## Why it matters

Lower prices would help American households battle ongoing

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unleaded on Aug. 11 was \$3.99, according to AAA.

Several factors have fueled the price decline, including Americans limiting their driving: Gasoline consumption is down almost 10% from last summer, according to the US Energy Information Administration.

The cheaper cost of oil has also led to lower prices at the pump: While Brent crude futures, an international benchmark, rose by 68 cents on Wednesday, to \$96.99 a barrel, they are still under the \$100 line. (US West Texas Intermediate crude futures gained 83 cents, to \$91.33.)

Patrick de Haan, head of petroleum analysis at GasBuddy, correctly predicted in a July 18 blog post that the nationwide average would fall to \$3.99 by mid-August.

Here's what you need to know about gas prices, including where they might go next and what the White House is doing to keep them in check.

For more on the gas crisis, find out which states are holding gas tax holidays and which are issuing gas rebate checks, and check out quick tips for saving money at the pump.

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## How low could gas prices go?

The steady decline is due to lower demand for gas coupled with lower oil prices: In the first week of August, crude oil dipped below \$90 a barrel for the first time since Russia invaded Ukraine in February. It's remained under \$100 since then.

Though we're a far cry from the \$2.70 a gallon average we

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But we're not out of the woods, he cautions.

"We've never seen anything like 2022 at the pump, highlighted by once-in-a-lifetime events including the ongoing Covid-19 pandemic, which caused myriad imbalances, exacerbated by Russia's war on Ukraine," De Haan [said in an Aug. 9 blog post](#). "While the recent drop in gas prices has been most welcomed, the issues that led to skyrocketing prices aren't completely put to bed, and still could lead prices to eventually climb back up, should something unexpected develop."

## Why has gas been so expensive?

Russia's ongoing [invasion of Ukraine](#) is an obvious factor. According to the White House, the war raised gasoline prices by more than \$1.70 per gallon at its peak. Even though the US doesn't import much crude from Russia, oil is traded on a global market and any change affects prices all over the world.

By June 13, gasoline had hit \$5.02 a gallon -- a record dollar amount, though still lower than the 2008 peak of \$4.14 once adjusted for inflation.

But the Russian invasion isn't the only factor: Even though demand is nearing pre-pandemic levels, producers are still hesitant to increase production.

"We've had a supply-and-demand imbalance for a while," Troy Vincent, a senior market analyst at energy analysis firm [DTN](#), told CNET. "And it will remain, regardless of whether this conflict goes away."



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"Armed a war that has raised gasoline prices more than 40 cents per gallon, historically high refinery profit margins are worsening that pain," Biden wrote in a June 15 letter to the heads of Exxon Mobil, Chevron, Shell and other companies.

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## What has the Biden administration been doing to lower gas prices?

In March, the White House began releasing 1 million barrels of oil a day from the US Strategic Petroleum Reserve. The unprecedented withdrawal, expected to last for six months, could lower gasoline prices between 10 and 35 cents a gallon.

"It will lower the oil price a little and encourage more demand. But it is still a Band-Aid on a significant shortfall of supply," Scott Sheffield, chief executive of Texas oil company Pioneer Natural Resources, [told The New York Times](#).

In April, the Environmental Protection Agency [approved year-round sales of E15 gasoline](#), a cheaper, higher-ethanol fuel. The impact has been modest, as only about 2,500 of the more than 100,000 gas stations nationwide sell the blend.

The US is also looking at getting energy products from other sources: Biden went to [Saudi Arabia earlier this month](#), in part to encourage the kingdom to increase output. But it and other OPEC nations say they're already pumping at full throttle.

Relief isn't likely to come from outside OPEC, either: This year, major oil companies like Shell, BP and Exxon Mobil are [expected to invest half](#) of what they did in production a decade ago.

The Biden administration has been [working to improve](#)

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Though gas prices are going down, they're still higher than usual. You can cut down on nonessential trips and shop around for the best price, even crossing state lines if it's convenient.

Apps like [Gas Guru](#) scan for the best gas prices in your region. Others, like [FuelLog](#), track your car's gas mileage and can help determine if it's getting decent fuel economy. In addition, many gas station chains have loyalty programs, and [credit cards have rewards programs](#) that give cash back for gas purchases.

## More on gasoline

- [Save Money on Gas: Quick Tricks to Beat Price Spikes at the Pump](#)
- [Gas Prices Are Skyrocketing. These Gas Credit Cards Can Help](#)
- [Best Gas Stations in 2022: Fuel Quality, Discounts and Convenience](#)
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