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An Idea Whose Time Has Come: Self-Serve Gas in New Jersey

Convenience: With self-serve, consumers who choose to will no longer have to wait around for a busy attendant to pump their gas. They won't have to worry about an attendant who is too busy talking on their cell phone to get them quickly on their way.

The vast majority of the time that pumps at gas stations are closed off by cones is because the station cannot afford to have an extra attendant there. With self-serve as an option every pump at every gas station will be open for business at all times.

It will make it far easier to buy gas at night. After 10pm, it can be difficult to find a gas station open for business, especially off major highways. With self-serve, every motorist with a credit card will be able to pull up to a pump, dip their card, fill their tank, and be on their way in just a few minutes.

As of October 2017, every gas pump will have to be outfitted with new credit card processors capable of processing EMV, the new chip-based security standard. According to the credit card companies, customers will be asked to input a pin number when they use their credit card at the pump. Since few consumers are going to be willing to tell random gas station attendants their pin number, motorists wishing to use credit are likely going to be getting out of the car anyway. At that point, most would likely just as well save a few cents a gallon and pump the gas themselves.

There is also a growing trend of consumers using mobile payment, like Apple Pay, to make their purchases using only their phone. To use this modern and rapidly growing form of payment consumers will also need to leave their vehicle.

Modern gas pumps are incredibly easy to use, no more difficult than using an ATM and arguably simpler than using the self-checkout lane at the grocery store.

Choice: Any motorist who doesn't want to pump their own gas won't have to. Legalizing self-serve isn't about taking away full-serve; it's about giving consumers the freedom to choose. Right now, it is against the law for anyone other than a gas station attendant to pump gasoline into a passenger vehicle. Legalizing self-serve will allow small businesses the option to give consumers a head to head choice of self-serve and full-serve, only offer self-serve, or continue to offer only full-serve.

As long as there are consumers who are willing to make a point of having someone else pump their gas, businesses will make a point offering it as a way to increase their market share.

Currently, everyone who drives a diesel fueled vehicle or a vehicle fueled by alternate fuels (biofuel, natural gas, electricity) serve themselves when fueling up in New Jersey.

300 million people in the United States already have the freedom to pump their own gas (and have had it since 1978), why shouldn't the people of New Jersey be included as well?

Savings: Employing gas pumpers is a tremendous cost that is passed on to every single customer of a gas station, whether they want it or not. It is not only the cost of the employee's salary; it is the benefits and insurance requirements that go along with them. It is also the hours spent on book keeping and interviewing, hiring, and scheduling employees. Gas pumpers are often paid \$11 an hour or more, well above minimum wage, because it is difficult to find people willing to pump gas for less, despite the fact that it requires almost no skills whatsoever.

Our estimate, based on conversations with multiple station owners, some of whom own stations in Pennsylvania or New York, is that customers who choose self-serve will save a minimum of 7¢ per gallon, to as much as 20¢ a gallon, with the average falling around 10¢.

This will be extra money in the pockets of families throughout the state, and help cushion their budgets when gas prices increase.

Self-serve should also be looked at in the light of probable increases in the gas tax at both the state and federal level. Neither Congress nor New Jersey has raised their gas taxes in decades and as a result our roads and bridges are crumbling. In order to finance repairs and expansions, it seems a virtual certainty that the cost of gas at the pump is going to be increased soon. Letting consumers who choose to pump their own gas save a few cents a gallon will help alleviate this burden.

Consumers are, more conscious of gas prices than the price of any other product. This is due in no small part to the fact that no other product advertises its daily price on large signs on main roadways.

This high degree of consumer awareness has always led to the gasoline retail business being one of the most competitive there is. It is perhaps the only business left in America that is fought penny by penny. While some claim that any savings on employees will be pocketed by the station owner, competition and the nature of the marketplace will prevent it. Any owner who does not pass on the savings will lose his customers to the competitor who does.

The reason station owners will not just “pocket the savings” is the same reason that every gas station doesn’t just charge an extra dollar per gallon right now; the force of competition prevents them.

Say there are two competing stations near each other, and each saves ten cents per gallon by offering self-serve. They *could* both pocket that savings. That is, until one day Station #1 realizes that if he lowers his price and only pockets 8¢, he will significantly boost the number of customers coming into his station, making more money at the end of the day. Station #2 sees his customers evaporate, so the next day he lowers his price even further than Station #1 to make up for the losses he saw when his customers shifted to Station #1 the day before. The next day Station #1 matches his price or undercuts him. On it goes until their prices are as low as they can be without going out of business.

Safety: Allowing the option of self-serve, particularly late at night, will certainly lead to fewer shootings and robberies at gas stations. Attendants who work overnight shifts at 24-hour stations are literally sitting targets.

One only has to do a quick internet search to find numerous reports of gas attendants being robbed, shot, stabbed, and sometimes killed during robberies. Late at night, they are one of the only businesses still open and are left sitting around in a very open area with easy access to getaway routes.

While the attendant will be there for hours at a time, customers would be rolling in and out of the station, only hanging around for about 5 minutes and paying by credit card (therefore not likely to be carrying any significant amount of cash). The risk to the customer of robbery at a self-serve station is not any higher than it currently is at a full-serve station, as the presence of a single attendant is clearly not a deterrent to criminals.

Despite all this, some may still feel unsafe using a self-serve pump just as some feel unsafe using an ATM late at night, but those individuals can simply wait for morning, they should not ban self-serve as an option for every person in every corner of the state.

It will also be beneficial to disaster preparedness. In the period before and after a snowstorm or hurricane, motorists make a point of filling their tanks. This increase in demand often leads toward lines at the understaffed pumps. With the option of self-serve, customers will be able to move in and out quicker.

The Arguments Against

But won't this just kill jobs? No doubt, some positions will be eliminated by some businesses. Not all of course. The US Census Bureau estimates approximately 16,000 employees among 2,300 gas stations. However, most of these employees are not gas attendants. Many work at convenience stores, both minimarts and the larger chains like Wawa and QuickChek that prepare fresh food, as well as employees that work in the auto repair shops. These employees will not be affected. Also, many stations will continue to either offer full-serve as an option, or offer self-serve only. Attendants at these stations will also see minimal effects.

However, a prevalent scenario is a gas station that has pumps blocked by the dreaded orange cone. While customers wait to be served, they stare in frustration at pumps that are closed because of a lack of manpower. If self serve were permitted customers would gladly pull to an available pump to serve themselves. Pumps presently blocked by orange cones presently do not have employees who will become unemployed because there are already no employees at those pumps.

The job of gas pumper is an extremely low skilled one that is difficult to find employees to fill. Attendants are regularly paid above minimum wage simply because even the unemployed are uninterested in pumping gas for less than \$9 an hour; often they are paid \$11 an hour or more. This is a largely part-time position that employees will often work at for a few months and then move on. They view their time at the station as just a way to collect a paycheck while they are looking for something better. Some will simply quit without notice by not showing up anymore. Many station owners are left to rely on relatives to help them out.

It is a perfectly fair point for some consumers to prefer to spend more of their money to subsidize the employment of someone else. With self-serve as an option, they will be free to continue to do so. No doubt, many motorists will make a point of using full-serve pumps for this specific reason just as some consumers make a point of using a human cashier rather than self-checkout machines at the grocery store.

They should be free to do this, but it is unfair to force every other consumer in the state to adhere to their belief. They should not use the power of the state to force consumers to subsidize certain kinds of unskilled employment for a few hundred or thousand individuals.

The spread of automation and consumers choosing to serve themselves is a 21st trend affecting every part of the economy, both in the past and in the future.

If someone feels that we should ban self-serve as an option in order to increase the number of people employed as gas pumpers, then surely they must support on a ban on ATMs (automated

teller machines). No doubt, many more people would be employed as bank tellers if the only way consumers could withdraw cash or deposit checks was to go inside the bank and talk with a live person.

Many grocery stores, and even some other retailers like Home Depot, now offer consumers the option to quickly check themselves out rather than have a clerk do it. A few grocery stores even pay people to bag your groceries for the customer, rather than have the customers do it themselves. If we banned self checkout or mandated that grocers hire people to bag our groceries, no doubt we would have more people employed. But no one is advocating for such an expensive inconvenience.

Restaurants are beginning to offer customers the option of ordering their meal and paying their bill on kiosks located at each booth. Other chains let you order your food using a touch screen at the location rather than explaining your order to an employee. Many restaurants now allow consumers to order their food online without talking to a single person. If we banned these practices, then surely there would be more restaurant employees to handle phone calls and take orders. Again, no one is advocating banning these practices even though they arguably decrease employment.

Advancements in technology are what has made self-serve so safe, simple, and feasible. When elevators were first invented, every one of them had a dedicated operator to ensure that users were safe. When technology advanced, all these positions were eliminated. If government's goal was to do whatever it takes to prevent jobs from being eliminated, then we would still be subsidizing whale oil salesmen, horse-and-buggy operators, elevator operators, and other antiquated positions.

There are no such movements or even discussions about banning these conveniences because we as a free society have determined that having the freedom of choice to serve ourselves is worth it. In 48 other states, the option to pump your own gas is taken for granted. No state in the nation is even discussing mandatory full-serve; only now the two states which ban self-serve are discussing rolling back that prohibition.

Other states don't have full serve as an option, won't self-serve completely kill the option of full-serve? No, the only reason that full-serve would be unavailable would be if the vast majority of the motoring public decided it wasn't worth the cost. Gas stations are businesses looking to bring in as many customers as possible. If offering full-service will bring in customers, then some stations will make a point of offering it in order to increase their market share.

It is not true that full-serve is unavailable in other states. Knowing exactly how many stations do offer full-serve is difficult to calculate. The websites of some major brands offer users the ability

search for stations which specifically offer full-service. Gulf, for example, states that over 20% of their New York and Massachusetts locations offer full-service, as well as nearly a third of their Pennsylvania stations.

The simple reason that more stations do not offer full-service is because very few of the people who live in those areas prefer it. They would rather pump their gas and lower their bill a few cents a gallon.

It is unreasonable to expect that allowing self-serve as an option in New Jersey will immediately lead to our state looking like other states; these states first started introducing self-serve forty years ago. For many years, full-serve was as frequent as self-serve. It was only after years and years that fewer and fewer motorists patronized full-serve locations.

It is admittedly possible that forty years from now it will be a challenge to find a gas station in New Jersey that offers full-service. But by the year 2050, it may be hard to find a gas station, period. Most cars may very well be fueled by hydrogen, biofuel, diesel, natural gas, or electricity; all of which are already self-serve under current New Jersey law.

Many stations in New Jersey will continue to offer full-serve only. This will be particularly prevalent among small stations with only one island, perhaps two island stations without much traffic. If they already have only one attendant pumping gas anyway, then they may go full-serve only as a way to differentiate themselves from their competitors.

It may result in a return to actual, traditional full-serve, which has almost totally died out in this country. What we have in New Jersey is not true full-serve, but what is technically known as mini-serve because the pumping is the only service performed. True full-serve involves at the very least washing the windshield, and perhaps even checking the tires and tire pressure, whether all the lights are working, fluid levels, etc.

Is this unfair to people with disabilities or the elderly? No, S-2944 not only puts into state law the protections granted by the federal Americans with Disabilities Act (ADA), it even goes a step further. Modeled after similar laws in Maryland, Delaware, and Florida. Federal law states that if a motorist arrives at a gas station and has an appropriate placard or license plate, they can honk their horn to signal to the staff that they need someone to pump their gas for them, for which they will pay the standard self-serve price. This law has proven to be sufficient over the last several decades for 48 states and 96% of the population.

Because there have been some complaints in other states that the ADA protection does not go far enough in practice, the proposed NJ legislation goes even further. Station owners will be required to post the hours that they will have two or more employees on location so that people

with disabilities will know when they can fill up. There will also be, at the discretion of the station owner, either a dedicated pump with a special call button or a sign at every pump listing the station's phone number, so that qualified motorists will be able to clearly alert the staff that they are in need of assistance.

Of course, full-serve will continue to be an option for years to come and patronage from persons with disabilities and the elderly will help ensure its continued prevalence.

Don't fix what isn't broke! But, alas, it is broke. You need only ask just about any small business man or woman who owns a gas station. When NJGCA did exactly that, 77% of stations were in favor of allowing self-serve and 21% were against allowing the option.

The motor fuel retail business has been in decline for many years in the state of New Jersey. Everyone surely knows of locations around their town that were once gas stations but are now just empty lots.

In 1998 there were over 3,000 gas stations in the state of New Jersey, according to the Census Bureau. In 2012, that number was down to just over 2,300; a decline of nearly 25% in 14 years. Why? A big part of it is that it is too hard to make money selling gas. In 1972 there were over 5,700 stations in NJ despite there being fewer people and fewer vehicles on the road. Almost all stations lose money on their gas business, they use it as a draw to sell coffee in their convenience store or repairs in their auto shop.

NEW JERSEY GASOLINE > C-STORE > AUTOMOTIVE ASSOCIATION

Self-serve raises the costs these businesses must incur in order to be open at all. Labor is regularly one of the top three costs retailers must deal with, along with the wholesale cost of their product and the cost of credit card fees. Ironically, these high labor costs are a contributing factor to stations going out of business, thereby eliminating every job at the location rather than just one or two or the gas pumpers.

But politically it is impossible! Only because we keep saying it is impossible, the opposition may seem wide but it is not deep and not well thought out. There is much more to New Jersey culture than not being allowed to pump our own gas!