

## You're saving at the pump ... and then spending it at the gas station

By [Joe Cutter](#) July 12, 2016 3:15 AM

A new study finds drivers are using that extra money saved with cheaper gas ... to buy more gas. And they're "filling up" at the store where they "fill up" at the pump.

The [JP Morgan Chase Institute study](#) finds we have been buying more gas and driving more with the gas savings.

Sal Risalvato, executive director of the New Jersey Gasoline, C-Store and Automotive Association, the group that represents the state's gas and convenience store operators, says for the first time in recent years, there is an uptick in the demand for gasoline.

"And yes, when they are at the pump, they do meander into the store, to pick up a cup of coffee or a bag of chips or a bottle of water or something of that nature," he said.

But Risalvato also says lower pump prices have cut already low profit margins.

"Unfortunately for the merchants, out at the gas pump, the profit margins that are usually very, very slim, have been squeezed even further this past year," he said.

He says the pump is what brings customers into the stores — when they're at the pump, they decide they're going to get coffee or snacks.

Risalvato says an owner may only make a buck on a \$25 fill-up of gasoline, but make another dollar selling the same customer a \$2 cup of coffee.

The JP Morgan Chase study also found that the sale of higher-grade gas is rising. But according to Risalvato, you cannot attribute that to the fact that people are saying, "OK, gasoline is cheaper, let me buy the higher octane product."

"What you are seeing right now is more cars are on the road that require a higher octane gasoline. And the reason for that is that the standards," he said. "The CAFE standards (Corporate Average Fuel Economy) required by the government, (have) been raised."

And those pump prices? Tom Kloza of the Oil Price Information Service in Lakewood says the mid-July pump price in New Jersey right now is as low as it has been since mid-July of 2004.