Inefficient Government Standards to Move Americans toward Less Fossil Fuel Efficient Automobiles

By Ajay Raju

With the recent rise in gas prices, a lagging economy, and the rise of more fuel efficient cars all culminating in the fall of the United States auto industry, the competitive value has increased for American auto makers and their ability to create vehicles to compete with foreign cars, years ahead in technology and cohesiveness with the consumer. Having already not developed an automobile that can cater to the income level that purchase used cars, the ability to jump start the domestic auto industry was rife with billion dollar bailouts, underdeveloped business models, built on the manufacturer lack of consumer understanding, and a poorly incentivized system. The ability to understand a consumer to the extent of which could help build a more uniform model to incentivize a purchase of more environmentally efficient car through efficient information transmissions, partial common interest games, as well as the endowment effect and to a lesser degree temporal choice. The creation of a multiple session experiment can yield an understanding between car manufacturers and the government to gain a result to environmentally efficient car models for certain income groups that cannot afford new or even used American cars. To further the studies importance, gaining an understanding on higher income groups car buying trends is important to create a model for future trends regarding higher priced gasoline and the cars itself.