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FACT SHEET

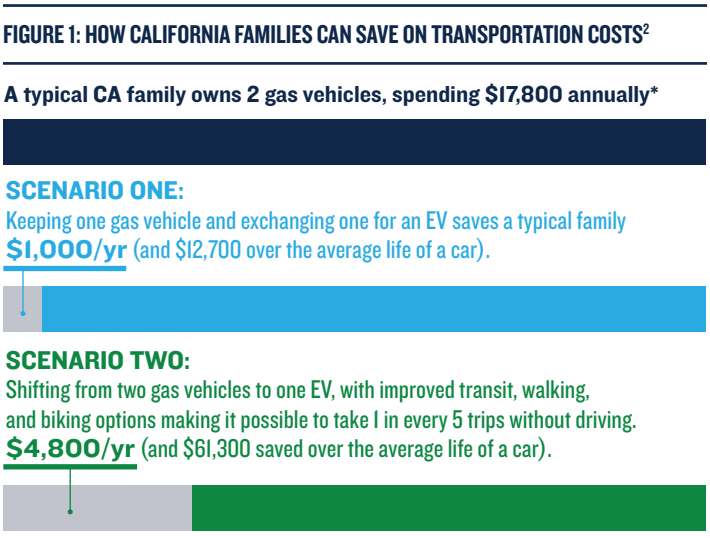
CALIFORNIA'S NEXT GOVERNOR HAS AN IMPORTANT ROLE TO PLAY IN REDUCING HOUSEHOLD TRANSPORTATION COSTS

After housing, transportation is the second-largest expense for California households. The average family spends nearly $18,000 a year on car payments, fuel, maintenance, and insurance, which is almost 18 percent of the state's $100,000 median household income.[1] Most Californians have no choice but to absorb those costs because in much of the state driving is the only practical way to get to work, school, or the doctor. It doesn't have to be this way. State leaders can change that by giving families more choices: reliable transit, safe routes for walking and biking, electric vehicles that cost less to fuel and maintain, and more affordable homes near jobs and transit. **Clean transportation belongs at the center of a governor's affordability agenda** because it lowers household costs while improving access, air quality, and economic resilience.

STATE LEADERS CAN GIVE FAMILIES MORE OPTIONS AND THE OPPORTUNITY TO SAVE MONEY

Our model analysis assessed the potential cost savings that could accrue from the following scenarios:

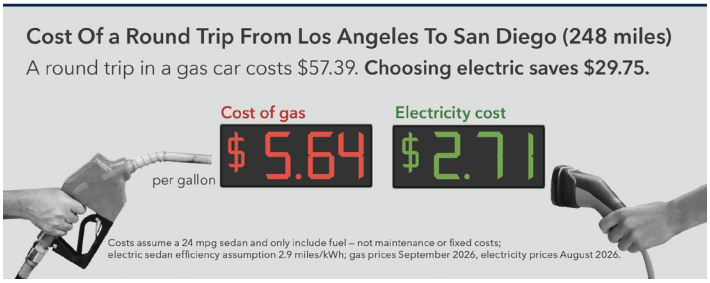
FIGURE 1: HOW CALIFORNIA FAMILIES CAN SAVE ON TRANSPORTATION COSTS[2]



*Total cost includes car payments, gas, maintenance, and insurance. This analysis assumes the vehicles are sedans, 24 mpg or 2.9/kWh efficiency.

If given the option to affordably switch from a gasoline vehicle to electric, many families can save money year over year. For other households in some parts of the state, expanding access to transit, biking, walking, and bike- or car-share opportunities can make it possible to reduce the number of household vehicles, generating even larger savings.

FIGURE 2: COMPARING THE COST OF FUELING GAS AND ELECTRIC VEHICLES[3]



Electric vehicles cost less to fuel and maintain than gas cars do, meaning that EVs can help families cut transportation costs.[4] Additionally, expanding EV charging makes better use of the electric grid; more efficient use of the grid can keep power bills for everyone from going up as much as they otherwise would, including people who never plug in a car.[5]



A passenger loading his bicycle onto the front rack of a Metro bus in Los Angeles, California.

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CONTINUING TO ELECTRIFY OUR TRANSPORTATION SYSTEM CAN REDUCE UNEXPECTED PRICE JUMPS ACROSS HOUSEHOLD BUDGETS

Nearly all food and most consumer goods are transported via trucks, most of which still run on diesel. Moving away from diesel—which not only is vulnerable to price spikes but also disproportionately contributes to toxic air pollution that drives up our public health costs—must be a priority for protecting both our lungs and our pocketbooks.



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Traffic jam during rush hour in San Diego, California.

CLEAN TRANSPORTATION ALSO DELIVERS IMPORTANT HEALTH AND CLIMATE BENEFITS

Cleaning up transportation would deliver major public health, climate, and economic benefits for California. Transportation is the single biggest source of climate and local air pollution in the United States. A study by the American Lung Association found that zeroing out tailpipe pollution by electrifying cars, trucks, and buses in California could yield $169 billion in public health benefits and avoid up to 15,300 premature deaths, 440,000 asthma attacks, and more than 2.2 million lost workdays between 2020 and 2050.[6]

These benefits would be especially pronounced near major truck routes, where communities are exposed to enormous amounts of transportation pollution. Focusing on zero-emission freight can help ensure that those living near freight corridors and experiencing disproportionate exposure to transportation pollution share the benefits of cleaner air and reduced health harms.

WHAT CALIFORNIA'S NEW GOVERNOR CAN DO TO MAKE TRANSPORTATION MORE AFFORDABLE FOR CALIFORNIA HOUSEHOLDS

1. Put state funding to work building affordable transportation. Encourage the Transportation Commission to leverage upcoming SBI discretionary grant awards and existing statutory federal funding flexibility to significantly grow the share of California's formula "highway" dollars used to fund cost-saving transportation options like public transit, sidewalks, greenways, and EV charging infrastructure.

2. Build state capacity to quickly and efficiently develop projects that deliver affordability benefits. Direct the California State Transportation Agency and the California Department of Transportation to shift more staff capacity to planning and delivering priority public transit and intercity passenger rail capital projects. Deliver affordable transportation options and make project delivery more cost effective with Caltrans as a project sponsor and via a new technical assistance program to support local governments and transit agencies.

3. Advance strong vehicle regulations. Direct the California Air Resources Board to adopt stringent vehicle standards through its Drive Forward initiative to address the climate crisis and protect California's residents from harmful smog and soot—especially those disproportionately impacted.[7] The regulations should take effect as soon as possible to expedite lower household vehicle operating costs and improve public health.

4. Reduce red tape to get EV chargers built at scale. Access to charging infrastructure is the biggest barrier to EV adoption and the household savings that come along with it.[8] While California has been a leader in supporting EVs, insufficient charging capacity is holding the state's EV market back; California currently ranks 46th out of 50 states in available public charging capacity per EV on the road.[9] To ensure that all California drivers can access EVs, state leaders should accelerate the public charging network as well as increase access at multifamily homes. Thankfully, state leaders can reduce delays in charging deployment due to slow utility energization and local permitting, reduce electric rates for EV charging, and build the grid we need.

Endnotes

1 Ali Lehman, "Methodology: State Governors Have an Important Role to Play in Reducing Household Transportation Costs," NRDC, November 2026, https://www.nrdc.org/sites/default/files/2026-10/Methodology_State_Governors_Have_Important_Role_Play_Reducing_Household_Transportation_Costs.pdf. Installation costs for home charging, electricity demand charges, free public or workplace charging, purchase taxes, resale value, depreciation, and parking costs are not included in this analysis.

2 Ibid.

3 Ibid.

4 Dan Wilkins and Nick Nigro, "Comparing the Cost of Owning the Most Popular Vehicles in the United States: 2025 Update," Atlas Public Policy, June 2025, https://atlaspolicy.com/wp-content/uploads/2025/07/Comparing-the-Cost-of-Owning-the-Most-Popular-Vehicles-in-the-United-States-2025-Update.pdf.

5 Sarah Shenstone-Harris et al., "Driving Affordable Rates with EVs: California," Energy Economics, March 2026, https://www.synapse-energy.com/sites/default/files/25-136%20California%20Factsheet_1.pdf.

6 American Lung Association, *Zeroing In on Healthy Air: A National Assessment of the Health and Climate Benefits of Zero-Emission Transportation and Electricity*, 2022, 10–11, https://www.lung.org/getmedia/13248145-06f0-4e35-b79b-6dfacfd29a71/zeroing-in-on-healthy-air-report-2022.pdf.

7 California Air Resources Board, "Drive Forward," accessed October 22, 2026, https://ww2.arb.ca.gov/drive-forward.

8 Mark Vaughn, "JD Power Finds Charging Access Biggest Deterrent to EV Adoption," *Autoweek*, February 28, 2025, https://www.autoweek.com/news/a63965563/ev-charging-access-jd-power-study/.

9 Atlas Public Policy, "Charging Deployment Dashboard," accessed October 23, 2026, https://atlaspolicy.com/; U.S. Department of Energy, Alternative Fuels Data Center, "Vehicle Registration Counts by State," accessed October 23, 2026, https://afdc.energy.gov/vehicle-registration?year=2025.