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FACT SHEET

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

After housing, transportation is the second-largest expense for Michigan households. The average family spends $17,000 a year on car payments, fuel, maintenance, and insurance, which is nearly a quarter of the state's $72,000 median household income.[1] Most Michiganders have no choice but to absorb those costs because driving is the only practical way to get to work, school, or the doctor in much of the state. It doesn't have to be this way. State leaders must act to give Michigan families more choices: reliable transit, safe routes for walking and biking, and electric vehicles that cost less to run and maintain. **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 MICHIGAN FAMILIES CAN SAVE ON TRANSPORTATION COSTS[2]

A typical MI family owns 2 gas vehicles, spending $17,000 annually*

SCENARIO ONE:
Keeping one gas vehicle and exchanging one for an EV saves a typical family **$600/yr** (and $7,000 over the average life of a car).

SCENARIO TWO:
Shifting from two gas vehicles to one EV, with improved transit, walking, and biking options making it possible to take 1 in every 5 trips without driving. **$4,000/yr** (and $50,300 saved over the average life of a car).

*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]



Vehicles travel along I-94 freeway in Detroit, Michigan.

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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.

CLEAN TRANSPORTATION ALSO DELIVERS IMPORTANT HEALTH AND CLIMATE BENEFITS

Cleaning up transportation provides major public health, climate, and economic benefits. 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 Michigan could yield $51.4 billion in public health benefits and avoid up to 4,700 premature deaths, 97,400 asthma attacks, and more than 466,000 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.



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Riders board Detroit's QLine, which runs along Woodward Avenue in downtown Detroit.

WHAT MICHIGAN'S LEADERS CAN DO TO MAKE TRANSPORTATION MORE AFFORDABLE FOR MICHIGAN HOUSEHOLDS

1. Modernize the transportation funding system by rewriting Act 51 to prioritize investments that lower household costs, expand access to reliable public transit and safe walking and biking options, and ensure that taxpayer dollars are spent on projects that deliver the greatest benefits for Michiganders.[7]

2. Accelerate electric vehicle charging deployment. Expanding access to convenient, affordable charging will help more Michigan families save money on fuel and maintenance by making the choice easier to switch to electric vehicles.

3. Mitigate the cost of volatile diesel prices by continuing to support existing medium- and heavy-duty vehicle grant programs run by the Department of Environment, Great Lakes, and Energy. These programs provide critical support to reduce the price of electric trucks; paired with strong electrification programs from the utilities that support fleets transitioning to electric, this can accelerate deployment of electric trucks across Michigan.

4. Lead by example by electrifying the state's own fleets—cutting fuel and maintenance costs for state government and ultimately taxpayers. By continuing to support efforts that integrate vehicle electrification and charging infrastructure needs into state fleet planning and by leveraging state purchasing power, the state can support manufacturing in Michigan alongside reduced household transportation costs.

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: Michigan," Synapse Energy Economics, April 2026, https://www.synapse-energy.com/sites/default/files/25-136%20Michigan%20Factsheet_2.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, https://www.lung.org/getmedia/13248145-06f0-4e35-b79b-6dfacfd29a71/zeroing-in-on-healthy-air-report-2022.pdf.

7 Michigan Department of Transportation, "Act 51," accessed October 22, 2026, https://www.michigan.gov/mdot/business/local-government/act-51.