

# More US auto buyers are turning to hybrids as sales of electric vehicles slow

December 21 2023, by Tom Krisher

---



Shalinder Singh poses for photos in front of a 2024 Honda CR-V Hybrid in Sunnyvale, Calif., Monday, Dec. 11, 2023. Like many hybrid buyers, Singh, an Uber driver, said that for him, the gas savings helped tip the price equation in favor of a Honda CR-V hybrid over the corresponding gasoline model. Credit: AP Photo/Jeff Chiu

America's automakers have staked their futures on the notion that electric vehicles will dominate sales in the coming years, spurred by buyers determined to reduce carbon emissions and save on fuel.

But so far, while EV sales are growing, their pace is [falling well short of the industry's ambitious timetable](#) for transitioning away from combustion engines. Instead, buyers are increasingly embracing a quarter-century-old technology whose popularity has been surging: The gas-electric hybrid, which alternates from gas to battery power to maximize efficiency.

So far in 2023, Americans have bought a record 1 million-plus hybrids—up 76% from the same period last year, according to Edmunds.com. As recently as last year, purchases had fallen below 2021's total. This year's figures don't even include sales of 148,000 [plug-in hybrids](#), which drive a short distance on battery power before a gas-electric system kicks in.

Though electric vehicle sales are nearing an annual record of over 1 million this year, their year-over-year growth rate has begun to stall. EVs still account for only about 7% of all U.S. auto sales.

The slowdown has raised concern among automakers that buyer interest in EVs is faltering. Some companies are cutting production and scaling down plans for new battery or assembly plants.

The reasons why hybrids have quickly become the preferred choice for many buyers vary. They range from the higher prices of comparable EVs to concern about the scarcity of charging stations to a recognition that hybrids provide many of the same advantages without the hassles of EVs.

Ford, the nation's No. 2 hybrid seller behind Toyota, expects to produce

enough hybrids to quadruple sales within five years. General Motors, which abandoned most hybrids in the U.S. four years ago in favor of EVs, now says it's considering bringing them back.

In the meantime, surveys show that consumers remain uneasy about either the availability of charging stations or the sale prices of EVs—even factoring in tax credits that the [federal government](#) makes available for EV purchases in many cases.



Scott Adams, owner of Adams Toyota, stands with a hybrid Toyota Rav4 at his dealership Tuesday, Dec. 12, 2023, in Lee's Summit, Mo. A typical hybrid costs somewhat more than its gasoline counterpart. A Toyota RAV4 hybrid with all-wheel-drive, for example, starts at \$32,825, \$1,600 more than a comparable gas version. Credit: AP Photo/Charlie Riedel

"Your standard hybrid makes the most sense to most people," said Ivan Drury, a director at the Edmunds.com auto website. "I think you'll find that people don't want to deal with the hassle or the difficulties of charging."

Hybrids do emit some tailpipe pollution. But because they burn less fuel than autos equipped solely with gasoline engines, their emissions are less. What's more, purchase prices for hybrids are akin to those of gas vehicles and typically far less than for comparable EVs.

"People are perfectly fine with a car that gets 45 or 50 miles per gallon, and you don't have to do anything" different from current behavior, said Scott Adams, owner of a Toyota dealership in suburban Kansas City.

Here are some key reasons why hybrids, which use both a gas engine and [battery power](#) to efficiently turn the wheels, have taken off this year:

## **SAVING THE PLANET**

The proliferation of wildfires, [heat waves](#) and more intense storms has led [more people to view climate change as a grave crisis](#), one they can help mitigate by burning less carbon-spewing fuel. Yet even among those people, some remain skeptical that an electric vehicle will allow them to travel long distances or tow trailers.

"People want to participate in this—the idea of reducing carbon," said Jack Hollis, who heads North American sales and marketing for Toyota, which leads in hybrid sales and has moved only gradually toward EVs. "I think the hybrid gives them what they're most looking for."



Power Flow information is displayed on the screen of a 2024 Honda CR-V Hybrid as Shalinder Singh drives while being interviewed in Sunnyvale, Calif., Monday, Dec. 11, 2023. Like many hybrid buyers, Singh, an Uber driver, said that for him, the gas savings helped tip the price equation in favor of a Honda CR-V hybrid over the corresponding gasoline model. Credit: AP Photo/Jeff Chiu

## **A LOWER PRICE**

EV prices have been dropping, mainly a consequence of federal tax credits and price cuts by Tesla, the market leader. Yet they're still pricier than hybrids or gas vehicles

After peaking at nearly \$63,000 last year, the average EV sale price fell to just over \$60,500 in November, not including tax credits or prices

from Tesla, which doesn't release them. Fewer EVs, though, will likely [qualify for the tax credits in 2024](#) because of rules that will limit buyers from claiming a full credit if they purchase cars with battery materials from China or other countries that are considered hostile to the United States.

The average price of a hybrid has stabilized at roughly \$42,000. A typical hybrid costs somewhat more than its gasoline counterpart. A Toyota RAV4 hybrid with all-wheel-drive, for example, starts at \$32,825, \$1,600 more than a comparable gas version.

Like many hybrid buyers, Shalinder Singh, an Uber driver from Sunnyvale, California, said that for him, the gas savings helped tip the price equation in favor of a 2024 Honda CR-V hybrid over the corresponding gasoline model.

"The mileage for the hybrid is too good," said Singh, who makes frequent trips to San Francisco and San Jose.

The Environmental Protection Agency says a front-wheel-drive CR-V Hybrid gets 40 mpg in city and highway driving, 10 mpg better than the gas version. The owner of a hybrid CR-V who drives 15,000 miles annually would save \$450 a year on fuel over the gas model.



Scott Adams, owner of Adams Toyota, stands with a hybrid Toyota RAV4 at his dealership Tuesday, Dec. 12, 2023, in Lee's Summit, Mo. A typical hybrid costs somewhat more than its gasoline counterpart. A Toyota RAV4 hybrid with all-wheel-drive, for example, starts at \$32,825, \$1,600 more than a comparable gas version. Credit: AP Photo/Charlie Riedel

## **LIFESTYLE NEEDS**

Angie Rodesky, who recently moved to Jefferson City, Missouri, said her children wanted her to buy a Tesla to replace her old vehicle. Though she did consider an EV to help reduce emissions, she settled on a RAV4 hybrid because she travels frequently to see children in Florida and Delaware.

"I have a fear of plugging something in and not being able to travel as far, because it's a 16-hour road trip from Delaware to Missouri," Rodesky, 55, said. "I needed to make sure I had a vehicle that was comfortable to ride in and had good gas mileage."

After buying a 2023 model from Adams Toyota near Kansas City, she had to wait a month for it to arrive, mainly because of heavy customer demand for the vehicle.

Brad Sowers, owner of Jim Butler Kia and other St. Louis-area dealerships, said customers who consider EVs often ask for hybrids or other alternatives.

"They look at it as a baby step into the EV world," Sowers said. "They're saying to themselves, 'I can't really do 100% battery psychologically.' "

## **COLDER WEATHER**

Dealers say many [hybrid](#) buyers appear to have done research and know that cold weather reduces the range of an EV battery. Tests conducted in Norway, where nearly 80% of new vehicles are electric, found that EVs lose between 10% and 36% of their range during winter.





Logos are shown on the exterior of a 2024 Honda CR-V Hybrid in Sunnyvale, Calif., Monday, Dec. 11, 2023. Like many hybrid buyers, Shilander Singh, an Uber driver, said that for him, the gas savings helped tip the price equation in favor of a Honda CR-V hybrid over the corresponding gasoline model. Credit: AP Photo/Jeff Chiu

Most U.S. EV purchases occur on the coasts, where charging stations are more prevalent and weather is often warmer. In the Midwest, where stations are farther apart, Sowers said consumers worry about decreased wintertime range.

"It's cold here," he said. "The (charging) infrastructure isn't that great."

## **RELIABILITY**

In its auto reliability survey this year, Consumer Reports found that hybrids were the industry's most reliable type of power system. Electric vehicles were least reliable. EVs contain glitch-prone new technology, Consumer Reports said. Hybrids have less.

And with hybrids having been sold in the United States for more than two decades, automakers have had time to refine the vehicles' engineering and construction. In general, vehicles that have been manufactured for longer periods are more reliable, said Jake Fisher, senior director of auto testing at Consumer Reports.

Analysts say they still think more EVs than hybrids will eventually be sold in the United States. With government help, the industry is moving to build many more charging stations. Ford, GM, Hyundai and others have reached agreements for owners of their vehicles to charge them at many of Tesla's widespread stations. The industry is standardizing its plugs to match Tesla's.

With direct-current fast chargers, charging times are becoming faster. Battery technology will likely improve cold-weather range, too.

In addition, next year, EVs' tax credits will be counted at the time of sale, thereby reducing the price and easing monthly payments. This year, buyers had to wait for income tax returns to receive their money. In addition, over time, tighter fuel economy and pollution regulations will likely compel automakers to sell more EVs.

© 2023 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: More US auto buyers are turning to hybrids as sales of electric vehicles slow (2023, December 21) retrieved 29 April 2024 from <https://techxplore.com/news/2023-12-auto-buyers-hybrids-sales-electric.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.