

## **Crude Oil Prices Have Plummeted, But Big Oil Keeps Retail Gasoline Prices High For American Consumers**

**SUMMARY:** Even as the price of crude oil falls, big oil is profiting even more from high consumer prices. According to CNN, gas prices have remained roughly the same across the country (at all-time highs), while crude oil has fallen 30% since March 6.

This has drawn the attention of the White House, with President Biden tweeting today, “Oil prices are decreasing, gas prices should too. Last time oil was \$96 a barrel, gas was \$3.62 a gallon. Now it’s \$4.31. Oil and gas companies shouldn’t pad their profits at the expense of hardworking Americans.”

The reason gasoline prices are not falling to match crude oil prices is corporate greed. Oil companies and gasoline retailers will keep prices high to maximize profits. In fact, top oil and gas corporations made \$205 billion in profits in 2021.

### **As Crude Oil Prices Fall, Big Oil Corporations Maximize Profits By Keeping Retail Gasoline Prices At Record Highs**

#### **After A Week Of High Prices, Crude Oil Has Dipped To \$96 A Barrel While Gasoline Costs Remain Near Record Highs**

*In The Last Week, Crude Oil Prices Have Plummeted 30%.*

**Gas Prices Remaining Roughly The Same Despite Oil Prices Dropping Nearly 30% From March 6<sup>th</sup>.** “After Russia invaded Ukraine, global oil prices experienced a dramatic spike. Just over a week ago, Brent crude leaped above \$139 per barrel. Analysts warned prices could touch \$185, then \$200 as traders shunned Russian oil, pushing inflation even higher and adding huge strain to the global economy. But there's been a rapid reversal since then. Brent crude futures, the global benchmark, have cratered almost 30% from their peak. They settled below \$100 per barrel for the first time this month after shedding another 6.5% on Tuesday.” [CNN, [03/16/22](#)]

- **The Average Cost Of Crude Oil Is Currently \$96.02.** [Oilprice.com, accessed [03/16/22](#)]

*But Consumers Are Not Seeing Relief—Gasoline Prices Remain At Record High Prices*

**The Average Cost Of Gasoline In The US Is \$4.305-- Higher Than What It Was A Week Ago.**

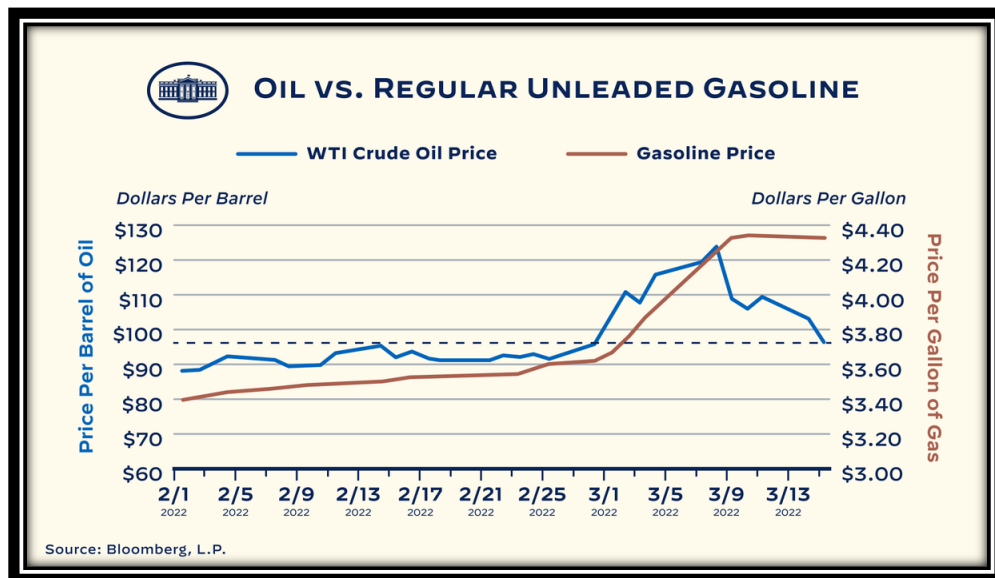
According to data from AAA, the average cost of gasoline in the US is \$4.305. A week ago, it was \$4.252.” [AAA, accessed [03/16/22](#)]

- **AAA Says The Highest Recorded Average Was \$4.331.** The record price was set on March 11, 2022. [AAA, accessed [03/16/22](#)]

#### **President Biden: “Oil Prices Are Decreasing, Gas Prices Should Too”**

**Biden Tweeted Graphic Showing How Gas Prices Have Not Fallen In Response To Oil Prices Falling.** Biden tweeted a graphic showing the discrepancy between gas and oil prices, commenting, “Oil prices are decreasing, gas prices should too. Last time oil was \$96 a barrel, gas was \$3.62 a gallon. Now it’s \$4.31. Oil and gas companies shouldn’t pad their profits at the expense of hardworking Americans.” [Twitter, [03/16/22](#)]

**Oil Vs. Unleaded Gasoline Chart Shows Discrepancies In Price.**



[Twitter, [03/16/22](#)]

## **The Reason Gasoline Prices Aren't Falling To Match Crude Oil Prices? Corporate Greed**

*Retailers Keep The Price Of Gas Elevated After Crude Drops Because Consumers Are Already Accustomed To The High Prices*

**Duke Professor Claimed That Gas Companies Jump At Opportunity To Increase Prices.** “Gas companies pounce on the oil price opportunity, according to Harvey. ‘They’ve got the ability, given the optics, given it’s in the news to increase their price and everybody does it,’ he said.” [WRAL.com, [03/15/22](#)]

**St. Louis Fed: Retailers Will Keep The Price Of Gas Elevated Even After The Price Of Crude Oil Has Decreased Because Consumers Are Already Accustomed To The High Prices.**

“Retailers will keep the price of gas elevated even after the price of crude oil has decreased because consumers are already accustomed to the high prices, economists with the St. Louis Federal Reserve said. ‘Since people do not tend to observe gasoline prices until they are ready to refuel their gas tanks, consumer expectations may be slow to adjust to pricing changes, allowing prices to remain relatively high,’ the report says.” [WRAL.com, [03/15/22](#)]

*Petroleum Expert Says Gas Stations Aren't In As Much Of A Hurry To Lower Prices When Oil Falls.*

**Petroleum Expert Says Gas Stations Aren't In As Much Of A Hurry To Lower Prices When Oil Falls.** "A petroleum expert with GasBuddy says that when there is a spike in the price of crude oil, that spike is felt at gas stations around 2 to 5 days later. But when oil prices fall, gas stations aren't in nearly as much of a hurry to lower gas prices." [KHAK.com, [03/16/22](#)]

**Gas Stations Lower Prices Slower Than They Raise Them To Recoup Money From When Oil Spikes.** "When oil prices rise so quickly, many gas stations will take a loss because they can't raise prices fast enough due to local competition. WHO reports that when prices drop, many stations will try and recoup some of those losses by slowly lowering their prices." [KHAK.com, [03/16/22](#)]

**Berkeley Professor Claims Gas Prices Fall Slower Because People Do Not Shop Around As Much When Prices Are Falling.** "But if they don't and oil prices fall, we shouldn't expect gasoline prices to drop as quickly as they've risen, said Severin Borenstein, a professor at the University of California, Berkeley. 'It's known as the rockets-and-feather effect. They go up like rockets and come down like feathers.' That's because people tend to pay more attention when oil prices are rising, Borenstein said. And when those prices go down? 'People just breathe a sigh of relief. They continue to go to their station they've been going to, they don't shop around very much – that lowers the competitive pressure,' he said. That also means gas stations can get away with charging higher prices for longer, Borenstein added." [Marketplace.org, [03/07/22](#)]

### **Meanwhile, Big Oil Corporations Are Raking In Billions In Profits**

*In 2021, 25 Big Oil Corporations Made Over \$205 Billion In Profits As Consumer Energy Prices Rose*

Company	Totals	Source
Shell	\$20,101,000,000	<a href="#">Link</a>
BP	\$12,800,000,000	<a href="#">Link</a>
ExxonMobil	\$23,040,000,000	<a href="#">Link</a>
Equinor	\$9,380,000,000	<a href="#">Q1, Q2, Q3, Q4</a>
Enbridge*	\$4,561,954,080	<a href="#">Link</a>
Chevron	\$15,600,000,000	<a href="#">Link</a>
ConocoPhillips	\$8,100,000,000	<a href="#">Link</a>
TechnipFMC	\$87,800,000	<a href="#">Link</a>
Plains All American	\$593,000,000	<a href="#">Link</a>
APA Corporation	\$973,000,000	<a href="#">Link</a>
Ovintiv	\$1,400,000,000	<a href="#">Link</a>
Chesapeake Energy	\$5,383,000,000	<a href="#">Link</a>
Hess Corp	\$559,000,000	<a href="#">Link</a>
Devon Energy	\$2,800,000,000	<a href="#">Link</a>
Halliburton	\$1,468,000,000	<a href="#">Link</a>
Coterra	\$1,158,000,000	<a href="#">Link</a>
Marathon Oil	\$946,000,000	<a href="#">Link</a>
Noble Corporation	\$352,210,000	<a href="#">Link</a>

Pioneer	\$2,100,000,000	<a href="#">Link</a>
Marathon Petroleum	\$11,001,000,000	<a href="#">Link</a>
Murphy Oil	\$396,900,000	<a href="#">Link</a>
Occidental Petroleum	\$1,522,000,000	<a href="#">Link</a>
Phillips 66	\$1,317,000,000	<a href="#">Link</a>
TC Energy	\$1,800,000,000	<a href="#">Link</a>
Saudi Aramco**	\$77,600,000,000	<a href="#">Q1, Q2, Q3</a>
<b>Total</b>	<b>\$205,039,864,080</b>	

\*Enbridge's earnings was converted from CAD to USD based on the exchange rate of 1 CAD to 0.78 USD on February 18, 2021.

\*\*Saudi Aramco had yet to announce their fourth quarter profits at the time of this report. The \$77.6 billion reflect Aramco's profits from the first nine months of 2021.