Cheap gas may drive travel

Strong summer tourism expected

By Kristy Eppley Rupon
The State

Expect smooth sailing this summer at the gas pump — at least compared to last year.

Prices will be "much easier on the wallet than last summer," said Patrick DeHaan, a Chicago-based oil analyst with gasbuddy.com, as supply peaks and demand wanes. "You may see a few stations drop under $3 (per gallon)," he said, but the average likely will stay above that psychological barrier.

Lower prices, combined with other positive economic news — a stock market that is reaching record highs every week, rising home sales and an unemployment rate that is inching down — will spur more consumer spending on dining out and driving trips, the experts said.

That will create "a very positive ripple effect" throughout the economy, said John Durst, president and chief executive of the state Restaurant and Lodging Association.

"We have reason for optimism as we look toward what we hope will be a banner tourism year for our state," he said.

Consumers, who have been cooped up with spring fever, have been able to get out of the house in the past couple of weeks as the weather has warmed up.

They are using the extra cash they are saving on gas to treat themselves, said Marianne Bickle, director of the Center for Retailing at the University of South Carolina.

"People are feeling a little bit more comfortable," she said. "They're saying, 'It's OK, let's treat the family, let's have this little feeling of normality again,'

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and that's important."

The last time gas prices consistently were below $3 a gallon in South Carolina was 2010, according to AAA Carolinas.

"Gas prices used to be in that oh-so-lovely upper-$2 range," Bickle said. "We now jump for joy and call all our family and friends because it's $3."

Consumers have become accustomed to the new normal of higher prices, she said. But they still search for the lowest prices they can find.

"People watch gas prices like they watch reality shows. We are obsessed," she said. "This is not going away. This is something that we have come to terms with."

South Carolina had the lowest average gas prices in the nation Friday, at $3.34 a gallon, according to AAA.

Nationwide, gas prices, which normally increase as the weather gets warmer, instead have been falling in recent weeks, said Tom Kloza, chief oil analyst with gasbuddy.com, based in Wall, N.J.

"Most states are 25 cents to 45 cents below last year," he said.

The national average Friday was $3.56 per gallon.

Part of the reason for the price drop is increased supply.

Domestic refineries are producing 950,000 more barrels per day than they were at this time last year, Kloza said.

"And guess what: People aren't using more gasoline," he said.

That has caused prices to drift lower, a trend likely to continue in the coming months, barring violent weather that could cause unforeseen spikes.

"We're certainly very excited about what lies ahead," said Durst.