



Assessing the Effectiveness of the Cash-for-Clunkers Program in California

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California is hoping to reduce air pollution by paying drivers to scrap older, polluting cars and purchase new, "cleaner" models, reports Bre Payton for the Daily Signal, but the program has had very limited success so far.

The idea behind the state's Cash-for-Clunkers program is to incentivize Californians to buy new cars and get rid of their older, environmentally-damaging vehicles, which cause the majority of California's air pollution. However, in the program's first year, a mere 21 drivers purchased a new vehicle through the program, as many were discouraged by the program's low cash incentives and complicated processes.

But as Randall O'Toole of the Cato Institute has said, cash-for-clunkers programs are an inefficient, costly means to speed up the natural process of replacing older cars with more fuel-efficient models.

The state's vehicle modernization initiative also includes a vehicle retirement program, which appears to have enjoyed some success, having retired more than 86,000 vehicles since 2010. However, more than 60 percent of vehicles retired through the program were unregistered, meaning they were not being driven on the road and, therefore, were not causing much air pollution.

Furthermore, the program is far from cost-effective. It is estimated that the vehicle retirement aspect of the program will cost \$19,000 for every ton of pollution that it reduces. The replacement portion of the program is even more expensive, at \$43,000 per ton.

Source: Bre Payton, "[California Can't Convince Drivers to Trade in Clunkers for Cash](#)," Daily Signal, June 15, 2014.