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Gas prices hit highest average ever in 2012

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By [Steve Hargreaves](#) @hargrea

Gasoline prices averaged the highest ever in 2012, despite never topping the single day spikes seen in 2008.

The nationwide average price for a gallon of regular gas hit \$3.60 in 2012, according to AAA. That's up 9 cents from the previous record high of \$3.51 a gallon set in 2011.

AAA blamed hurricanes, refinery outages and tensions in the Middle East for the high prices.

The third most expensive year on record was 2008, when prices averaged \$3.25 a gallon.

2008 was also the year gasoline hit its highest one-day price ever -- \$4.11 per gallon in July. At the time, a red-hot global economy and fears over dwindling supplies were some of the factors that sent both gas and [oil prices](#) to their highest level ever.

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That price spike was short lived however, with the global financial crash right around the corner. Oil prices collapsed over the next few months, going from a record high of over \$147 a barrel in July to under \$34 a barrel by December.

AAA did have some good news for motorists for the new year. The organization expects gas prices to be lower in 2013, thanks to rising domestic oil production and decreased demand. [December gas prices](#) are already near two-year lows.

In fact, while gas prices may have reached their highest average ever in 2012, it may not have been a record year in terms of how much people actually spent on gasoline.

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Since 2008, gasoline demand has dropped by over 10% in the United States, despite a growing population, according to the U.S. Energy Information Administration.

The recession, better fuel efficiency and higher gas prices are often cited as reasons for the drop. Experts say [declining interest in cars](#) among young people, increasing urbanization and access to mass transit, and technology that allows for telecommuting and better route planning are factors as well.

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