Written by Brian Koenig on August 4, 2011

Chevy Volt Sales Plummet as the Electric Car Market Slumps

GM spokeswoman Michelle Bunker attributed the fallback to "supply constraints," alleging that GM was "virtually sold out" and supply was down nationwide. But Mark Modica, associate fellow at the National Legal and Policy Center, confirmed Bunker's assertion was false, as he wrote on FoxNews.com:

> A search of cars.com site showed nearly 500 Chevy Volts listed for sale. I had originally assumed that GM dealers were advertising vehicles that were not actually available for sale, since GM has stated that there were only a "few" Volts available. I decided to call a few dealers within 75 miles of my location to determine what the true situation was. I stopped my research after finding that five of the first six dealers I called had Volts in inventory available for immediate sale. Two of the five dealers even had two each in stock. I can now safely assume that GM is, once again, not being entirely honest with its facts. The demand for the Chevy Volt is not as strong as GM would have us believe.

Modica later clarified his findings with GM's Direct of Communications, Greg Martin, who attested that there are 116 new Chevy Volts currently available nationwide, plus demo units offered with a hefty discount.

GM's floundering July sales numbers secure a roadblock to Washington's electric roadmap, as President Obama vowed in his 2011 State of the Union Address to "break our dependence on oil" and "become the first country to have one million electric vehicles on the road by 2015." The U.S. government has invested $2.4 billion in research and development to improve EV batteries and another $300 million in grants for communities that are reducing petroleum use — not to mention, hundreds of millions of dollars in consumer subsidies.

Demographics play a critical role in the electric car market. Deloitte Consulting conducted a study interviewing industry experts and 2,000 potential electric car buyers and discovered that within the next 10 years, only "young, very high income individuals" would be interested in purchasing an electric car.

The problem is that "environmentally-friendly" is, for now, a groundless trend that stirs more conversation than consumerism. The sticker price for electric cars is astronomical, as car shoppers would actually *save* money purchasing a Mercedes-Benz C350 over a Chevy Volt. People are simply not ready to drop $40,000 for a smaller, slower, and less attractive vehicle — at twice the expense.

Such a dilemma brings to question the debate over government subsidies, as well as the billions of dollars in federal spending that gets dumped into the research well. Many taxpayers ask: "If the cars aren't selling, why are we funding the research?"

The Volt is currently leading the electric car battlefront in North American sales, but a mere 2,029 units have been sold since the Volt's late 2010 launch. The Nissan Leaf trails behind with only 1,044 units sold. Jonathan Last made an interesting, and rather comical, remark on the *Weekly Standard's* blog: "There's a Volt in my neighborhood and a Volt that parks in my garage at work. So I see almost 0.1 percent of all the Volts in America on a daily basis."

Indeed, so far the "environmentally-friendly" car market is not so friendly to auto manufacturers, nor the taxpayers who fund the research and subsidies. The sales numbers are stale. Some might say, the Chevy Volt and its electric brethren may need a jumpstart. The question is by whom, the consumer or the government?

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