

Abstract

In this thesis I summarize previous studies estimating income elasticity of gasoline demand, analyze the models employed, comment on the evolution of econometric tools used, and finally perform a meta-analysis. This thesis is the first survey on gasoline income elasticity that takes into account publication bias. It also distinguishes between models including car stock information in estimation. I estimate the underlying short-run elasticity to be 0.1, long-run with car stock 0.234, and long-run without car stock 0.644. These results, on average, point to less income-elastic demand for gasoline than what previous surveys found.