

FLORIDA CONSUMER CONFIDENCE INDEX
March 29, 2005
FOR IMMEDIATE RELEASE



**UNIVERSITY OF
FLORIDA**

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Consumer Confidence

Consumer confidence in Florida fell three points from 97 in February to 94 in March. There were declines in four of the five components of the index. The biggest decline was an eight point drop in perceptions of US business conditions over the next year. That component now stands at 85, three points lower than the same time last year. Perceptions of US business conditions over the next five years fell three points to 85. Perceptions of personal finances now compared to a year ago fell two points to 89, while perceptions of future finances fell three points to 96. Perceptions as to whether it is a good time to buy big-ticket items rose two points to 115.

“Consumers are probably reacting this month to the spike in gasoline prices,” said Chris McCarty, the survey director. “Recent economic indicators suggest that employment levels in Florida are pretty good compared to other states, and sales data are positive. However it is hard not to notice the higher prices at the pump. This will become more of an issue if energy prices remain high as the weather becomes warmer and people start using their air conditioners.”

Analysis of the overall index and the components revealed few differences by subgroups. There was a large difference between low and high income households on perceptions of US economic conditions over the next year, the component that fell the most. Households making less than \$30,000 registered a two point increase on this component, while households making over \$30,000 registered a 13 point decline. This sharp decrease is probably due to recent losses in the stock market which have wiped out gains from February. Losses in the stock market would affect higher income households disproportionately than lower income households.

“Going forward we don’t expect big changes in consumer confidence unless there are significant changes in the national economy or policy changes,” said McCarty. “We expect oil prices to remain high, at least for the next several months, and interest to rise as the Federal Reserve continues to raise their rates. The proposed changes to Social Security seem to have lost steam and are now not front page news. We also expect employment gains at the present level. Barring some unforeseen event, consumer confidence among Floridians should remain in the low nineties.”

FLORIDA ECONOMIC AND CONSUMER SURVEY
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Mar-04 Apr-04 May-04 Jun-04 Jul-04 Aug-04 Sep-04 Oct-04 Nov-04 Dec-04 Jan-05 Feb-05* Mar-05†

Consumer Confidence Index												
FLORIDA	94	96	93	95	94	95	93	93	91	93	97	94
Men	101	102	97	100	98	105	102	100	103	97	99	98
Women	88	90	89	91	92	89	87	88	87	86	89	90
Under age 60	96	98	94	99	97	102	97	96	96	96	96	95
Aged 60 and over	88	91	91	86	87	81	84	85	90	82	90	91
Income under \$30,000	81	84	84	79	80	85	81	83	78	75	82	83
Income \$30,000 and over	101	102	100	102	102	103	100	100	102	99	101	99

Personal financial situation now compared to a year ago												
FLORIDA	84	86	82	86	83	88	85	81	85	87	85	89
Men	89	93	89	89	83	98	92	83	97	90	90	98
Women	81	80	77	83	83	82	80	78	76	84	80	81
Under age 60	88	94	90	91	90	100	90	87	94	93	90	97
Aged 60 and over	75	71	65	72	67	60	71	67	69	75	75	73
Income under \$30,000	63	62	67	58	61	69	67	62	52	64	65	67
Income \$30,000 and over	96	98	94	98	96	100	97	91	103	98	97	103

Personal financial situation expected one year from now												
FLORIDA	101	102	99	104	95	103	100	101	100	94	98	96
Men	113	108	98	109	99	113	109	109	108	99	102	98
Women	92	96	100	99	93	97	94	95	94	91	94	94
Under age 60	110	111	106	111	101	115	110	111	107	107	104	103
Aged 60 and over	81	82	85	85	81	77	77	79	86	69	86	81
Income under \$30,000	91	96	95	87	85	99	92	95	92	84	91	86
Income \$30,000 and over	107	106	106	109	102	107	108	107	106	101	104	103

Expected national economic conditions over the next year												
FLORIDA	87	90	85	88	91	89	87	87	88	82	87	85
Men	96	96	93	93	95	99	98	95	97	90	95	89
Women	81	84	79	85	89	83	79	80	82	76	81	81
Under age 60	88	91	81	91	93	91	91	86	86	86	87	83
Aged 60 and over	85	88	95	83	88	85	78	87	92	76	88	89
Income under \$30,000	79	74	78	71	82	84	77	79	74	67	77	77
Income \$30,000 and over	93	98	88	97	98	94	91	91	96	89	95	87

Expected national economic conditions over the next 5 years												
FLORIDA	88	87	90	88	94	89	90	92	85	87	88	85
Men	96	94	100	95	99	102	98	104	99	95	93	91
Women	82	80	83	81	91	81	85	82	74	81	84	80
Under age 60	87	84	89	89	93	92	91	95	80	88	87	81
Aged 60 and over	87	93	94	84	97	82	91	85	94	87	90	95
Income under \$30,000	78	83	80	78	84	74	82	86	74	65	76	77
Income \$30,000 and over	93	89	97	91	98	99	93	98	91	96	94	84

Is this a good time to buy major household items?												
FLORIDA	108	115	107	109	107	108	102	105	109	104	110	115
Men	111	119	107	112	112	115	112	107	112	112	114	117
Women	105	111	107	107	105	104	96	102	107	97	106	113
Under age 60	106	112	103	110	109	112	102	103	110	106	110	113
Aged 60 and over	112	121	114	107	103	101	103	108	108	102	109	117
Income under \$30,000	94	106	99	102	89	97	86	93	99	96	99	109
Income \$30,000 and over	116	119	113	113	116	118	111	110	114	108	116	117

*Revised. †Preliminary.

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	442	Race		Gender	
		% Non-white	20	% Male	45
Average age	51	% White	80	% Female	55
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	23	% Yes	11	% North	25
% \$20,000 to \$29,999	16	% No	89	% Central	16
% \$30,000 to \$49,999	20			% Southeast	28
% over \$50,000	41			% Southwest	31