

**FLORIDA CONSUMER CONFIDENCE INDEX**  
**March 28, 2006**  
**FOR IMMEDIATE RELEASE**



**UNIVERSITY OF  
FLORIDA**

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From:  
UF Survey Research Center  
Bureau of Economic and Business Research  
Warrington College of Business Administration  
University of Florida  
P. O. Box 117145, Gainesville, Florida 32611-7145

Contact:  
Chris McCarty, Survey Director  
Office: (352) 392-2908 ext. 100

*Consumer Confidence*

Consumer confidence among Floridians rose four points in March to 91, regaining half of the eight point decline from the previous month. The rise in confidence was occurred in four of the five components that make up the index. Perceptions of personal finances now compared to a year ago rose from 83 in February to 88 in March. Perceptions of future personal finances remained unchanged. Perceptions of US economic conditions over the next year rose from 77 in February to 80 in March while perceptions of economic conditions over the next five years rose three points to 82. Perceptions of whether it is a good time to buy big-ticket items rose six points to 108.

“Consumers in Florida continue to surprise me,” said Chris McCarty, the Survey Director. “I had expected consumer confidence to remain the same or decline this month, but consumers felt differently. When you break down the index by the characteristics of the respondent an interesting story emerges. Respondents whose annual income is under \$30,000 a year reported lower optimism about their current finances, but higher optimism about their finances a year from now. Respondents making more than \$30,000 were more optimistic about their current finances (presumably due to the recent gains in the stock market), but pessimistic about finances in the future. These effects along with the other components resulted in a net gain in confidence.”

The price of gasoline had fallen in Florida through much of February and began to creep up in March. The effects of gas prices on confidence seem to lag about a month. The stock market rose steadily through March, buoying optimism among upper income Floridians that are most likely invested either directly or through retirement accounts.

“Although my predictions for this month were off, I still expect a decline in confidence as a couple of factors come to bear,” said McCarty. “Gas prices have risen once again, and as always the case, they will rise during the summer months due to increased domestic demand. This will put a drag on all consumers as they react to those price changes. In addition, we have been talking about the looming effects of declines in the housing market. These effects have already begun. New home sales plummeted in February and will continue to slide. Mortgage and refinance applications were both down for the week ending March 17<sup>th</sup> and are likely to decline even further. The effects of the decline which is expected to unfold over the rest of 2006 and early 2007, will ultimately have a negative effect on consumer confidence, and as a result consumer spending. The full effects of this have yet to be realized.”

# FLORIDA ECONOMIC AND CONSUMER SURVEY†

March 28, 2006

Bureau of Economic and Business Research

University of Florida

Mar-05 Apr-05 May-05 Jun-05 Jul-05 Aug-05 Sep-05 Oct-05 Nov-05 Dec-05 Jan-06 Feb-06\* Mar-06†

### Consumer Confidence Index

FLORIDA	92	91	91	96	95	89	78	80	84	91	95	87	91
Men	96	94	96	99	99	94	85	88	88	96	99	92	97
Women	89	88	87	93	91	86	71	74	80	87	92	83	86
Under age 60	95	96	97	98	97	93	79	82	85	95	96	89	94
Aged 60 and over	88	83	81	91	89	82	74	74	82	83	92	84	84
Income under \$30,000	81	81	77	79	82	75	57	67	72	81	83	77	80
Income \$30,000 and over	98	96	99	101	103	96	86	86	89	97	100	92	95

### Personal financial situation now compared to a year ago

FLORIDA	88	90	87	90	87	86	80	79	80	88	88	83	88
Men	94	94	95	92	91	88	90	87	84	90	94	89	92
Women	82	87	81	88	85	85	71	73	76	85	84	78	85
Under age 60	96	99	96	95	93	96	86	86	85	93	93	88	99
Aged 60 and over	71	76	72	80	73	65	66	62	71	76	80	76	70
Income under \$30,000	67	73	61	64	66	61	48	51	54	61	61	71	66
Income \$30,000 and over	101	100	102	100	99	99	94	91	91	98	97	91	102

### Personal financial situation expected one year from now

FLORIDA	93	96	96	98	100	97	90	90	92	95	99	95	95
Men	95	99	99	98	102	94	95	94	93	100	104	97	99
Women	92	93	94	98	98	99	86	87	90	92	96	93	92
Under age 60	103	107	107	104	107	104	98	98	101	105	109	106	106
Aged 60 and over	76	76	76	80	83	81	72	71	75	73	83	77	75
Income under \$30,000	83	86	84	88	95	90	74	81	78	89	96	81	87
Income \$30,000 and over	102	100	104	102	106	103	98	96	100	99	104	103	99

### Expected national economic conditions over the next year

FLORIDA	83	77	79	84	84	75	56	66	72	84	86	77	80
Men	85	81	86	93	90	83	67	78	74	90	92	81	90
Women	81	74	74	84	79	70	47	58	70	79	81	74	71
Under age 60	82	78	83	90	85	75	53	67	73	87	84	78	77
Aged 60 and over	84	74	69	82	83	76	64	68	72	81	89	76	86
Income under \$30,000	73	69	69	74	71	59	37	61	68	86	80	69	74
Income \$30,000 and over	87	81	83	90	93	80	61	68	73	86	90	81	78

### Expected national economic conditions over the next 5 years

FLORIDA	84	80	82	88	88	80	70	76	78	84	90	79	82
Men	89	83	90	95	96	89	76	86	84	91	94	85	94
Women	79	78	76	85	83	74	65	69	73	78	87	74	72
Under age 60	80	79	86	89	87	78	68	74	77	86	86	76	83
Aged 60 and over	91	82	76	93	92	84	72	81	80	81	97	84	80
Income under \$30,000	73	65	70	72	78	70	53	65	74	82	78	66	74
Income \$30,000 and over	86	85	90	93	96	84	76	81	78	86	94	84	84

### Is this a good time to buy major household items?

FLORIDA	114	110	111	113	113	109	91	88	98	105	109	102	108
Men	116	114	113	119	115	117	99	95	107	107	109	107	108
Women	113	107	109	110	112	104	85	83	90	103	109	97	108
Under age 60	112	114	111	111	113	111	89	88	91	104	109	98	106
Aged 60 and over	117	104	113	120	113	103	95	90	110	105	113	107	117
Income under \$30,000	108	111	101	96	100	94	72	78	85	89	100	101	96
Income \$30,000 and over	117	111	116	121	119	114	101	96	103	114	113	101	112

\*Revised. †Preliminary.

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

Sample Size	442	Race		Gender	
		% Non-white	14	% Male	44
Average age	54	% White	86	% Female	56
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	17	% Yes	8	% North	25
% \$20,000 to \$29,999	14	% No	92	% Central	17
% \$30,000 to \$49,999	23			% Southeast	25
% over \$50,000	46			% Southwest	33