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Consumer Confidence

Consumer confidence among Floridians fell three points in March to 70 after a brief rise during January and February. Two of the five components making up the index rose, one stayed the same and two declined. Perceptions of personal finances now compared to a year ago actually rose one point to 54, while expectations of personal finances a year from now remained unchanged at 83. Perceptions of U.S. economic conditions over the next year rose two points to 70 while perceptions of U.S. economic conditions over the next five years fell four points to 72. The biggest decline was in perceptions as to whether it is a good time to buy big-ticket consumer items. That component fell 10 points to 72.

“While we had expected a decline in overall consumer confidence in March the source of the decline was unusual,” said Chris McCarty, the Survey Director. “Personal finances seem to be stabilizing, although at historically low levels. Short term expectations of the U.S. economy are a bit more optimistic. But Floridians are skeptical of the long run health of the economy and are particularly negative about investing in major purchases, such as a car or large appliance, that are often purchased through a loan or on credit. This decline in optimism is almost certainly related to persistent elevated levels of unemployment in Florida and the perception that jobs are neither secure nor widely available.”

Unemployment for February came in at 12.2%, the highest since the series began in 1970. Most economists expect Florida’s unemployment to continue to rise over the next several months, in contrast to national unemployment which has at least temporarily declined. More disturbing are very elevated levels of the long term unemployed, those who are looking for work but have not found a job for 27 weeks or more. These Floridians are dependent on extended unemployment benefits and continue to add to the roles of Medicaid recipients. Although state level estimates for the long term unemployed are not available monthly, an annual comparison to the U.S. for 2009 shows Florida at 37.2 percent while the U.S. is at 31.5 percent. The latest monthly figure for the U.S. was 40.9 percent in February. This suggests that Florida’s level of long term unemployment is close to 47 percent. These levels both statewide and nationally are much higher than has ever been measured.

“The challenge for the Florida economy is to recover the jobs lost during the recession,” said McCarty. “While the stimulus is helping restore jobs in other states, Florida’s economy is overly dependent on construction, real estate and services surrounding steady population growth, particularly from in migration. Population growth for Florida was negative in 2009 for the first time since WWII. At the same time out-migration has increased, possibly due in part to the exodus of construction workers who are seeking work elsewhere. The hope is that population growth will follow the pattern it has in past recessions and will pick up again this year. If that does not happen then Florida will struggle to regain many of the jobs lost during this recession.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
March 30th, 2010
Bureau of Economic and Business Research
University of Florida

	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
Consumer Confidence Index													
FLORIDA	65	72	71	69	67	71	72	72	69	69	74	73	70
Men	63	73	73	69	67	74	74	76	70	69	77	71	72
Women	66	70	70	69	66	69	70	69	69	68	71	74	67
Under age 60	67	71	72	70	71	72	76	71	71	68	74	77	72
Aged 60 and over	62	72	70	69	63	70	68	73	67	70	74	67	69
Income under \$30,000	63	67	64	58	63	68	67	67	61	64	67	67	64
Income \$30,000 and over	65	74	75	74	71	73	76	74	74	71	78	76	74
Personal financial situation now compared to a year ago													
FLORIDA	42	44	41	46	43	44	42	44	49	45	53	53	54
Men	40	47	44	47	44	46	43	48	50	47	56	51	59
Women	43	42	38	45	43	41	42	41	49	43	49	56	48
Under age 60	40	44	41	45	45	44	43	39	48	45	53	59	56
Aged 60 and over	42	44	41	48	42	43	41	51	51	45	53	47	54
Income under \$30,000	34	36	31	29	34	39	35	30	34	32	39	38	45
Income \$30,000 and over	43	48	46	53	48	45	46	47	55	52	59	62	61
Personal financial situation expected one year from now													
FLORIDA	80	85	90	84	79	84	81	82	82	80	86	83	83
Men	79	86	88	84	75	84	90	82	80	80	88	84	84
Women	81	84	91	84	83	85	73	82	84	81	83	82	82
Under age 60	88	88	94	93	92	94	95	91	95	90	94	95	91
Aged 60 and over	73	82	84	74	66	72	66	71	70	72	77	68	74
Income under \$30,000	85	81	87	71	78	81	73	79	81	76	84	75	76
Income \$30,000 and over	80	88	93	90	82	88	88	83	85	84	91	88	87
Expected national economic conditions over the next year													
FLORIDA	60	69	72	66	63	72	74	71	65	67	72	68	70
Men	53	70	72	62	62	75	69	72	65	65	73	65	71
Women	66	68	72	69	64	70	78	69	64	70	72	70	68
Under age 60	61	65	72	66	69	72	75	68	67	66	71	71	69
Aged 60 and over	58	73	71	66	58	74	72	74	63	70	74	62	71
Income under \$30,000	66	68	74	53	62	70	78	72	61	72	69	69	60
Income \$30,000 and over	57	70	74	71	67	74	73	73	67	68	73	67	73
Expected national economic conditions over the next 5 years													
FLORIDA	79	82	80	81	72	81	84	80	72	74	79	76	72
Men	75	82	77	77	72	79	81	81	71	73	80	72	71
Women	82	83	81	84	73	82	86	80	72	76	78	80	73
Under age 60	82	78	79	81	72	79	86	78	71	69	77	78	74
Aged 60 and over	75	86	79	82	73	83	82	84	71	80	82	74	70
Income under \$30,000	79	85	73	73	70	89	84	81	63	72	74	78	71
Income \$30,000 and over	75	82	82	86	75	78	84	81	77	75	81	77	72
Is this a good time to buy major household items?													
FLORIDA	62	78	76	68	77	75	80	82	78	75	80	82	72
Men	69	82	84	75	84	86	89	94	83	81	88	83	76
Women	57	74	67	62	69	65	72	72	74	70	73	82	67
Under age 60	66	80	76	65	77	73	80	78	76	69	74	82	71
Aged 60 and over	59	75	73	74	77	79	82	87	76	83	88	83	75
Income under \$30,000	50	66	57	63	71	58	66	75	67	71	68	77	70
Income \$30,000 and over	67	84	80	72	81	82	89	87	84	78	86	86	78

*Revised. †Preliminary.

Mar-09 Apr-09 May-09 Jun-09 Jul-09 Aug-09 Sep-09 Oct-09 Nov-09 Dec-09 Jan-10 Feb-10 Mar-10

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	418	Race		Gender	
		% Non-white	15	% Male	56
Average age	56	% White	85	% Female	44
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	15	% Yes	8	% North	28
% \$20,000 to \$29,999	12	% No	92	% Central	15
% \$30,000 to \$49,999	22			% Southeast	24
% over \$50,000	51			% Southwest	33