

FLORIDA CONSUMER CONFIDENCE INDEX
June 27, 2006
FOR IMMEDIATE RELEASE



**UNIVERSITY OF
FLORIDA**

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 unexpectedly in June to 90, up four points from 86 in May. The rise in confidence was primarily in the questions reflecting expectations about the future. Perceptions of personal finances now compared to a year ago was flat at 88, while expectations about personal finances a year from now rose four points to 96. Perceptions of US economic conditions over the next year rose five points to 78 while perceptions of US economic conditions over the next five years rose ten points to 85. Perceptions of whether it is a good time to buy big-ticket items was flat at 100.

“This rise in confidence comes as a surprise given what is happening in the economy that should be affecting consumers,” said Chris McCarty, the Survey Director. “Gas prices declined a bit in June, but so did the stock market. The Federal Reserve has induced rises in interest rates on credit cards and home loans. It’s unclear why consumers are so optimistic about the future.”

Consumer confidence nationally as measured by the University of Michigan in their mid-month release is also showing a rise in confidence. This follows a large drop of that index from April to May. One explanation for the rise nationally is that consumers may have over-reacted to negative economic news in the previous month and are now more optimistic. This does not explain the rise in confidence in Florida, as the index was flat for the previous two months. Unlike other states, Florida has fared better in the economic expansion since the 2001 recession, particularly in the area of job creation and employment.

“Moving forward, we still expect high energy prices and the decline in the real estate market to have a negative effect on consumers in the coming months,” said McCarty. “In particular, the real estate market will become more of a factor as those who took out low interest adjustable rate mortgages three years ago will suddenly be impacted when the loan matures and the mortgage payment is pegged to current interest rates. It is unclear how many Florida households will be impacted by this phenomenon, but we should keep in mind that Florida has one of the highest rates of using these types of loans over the past several years, given the high appreciation of housing prices.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†

June 27, 2006

Bureau of Economic and Business Research

University of Florida

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

Consumer Confidence Index

FLORIDA	96	95	89	78	80	84	91	95	87	91	86	86	90
Men	99	99	94	85	88	88	96	99	92	99	94	93	93
Women	93	91	86	71	74	80	87	92	83	84	82	81	87
Under age 60	98	97	93	79	82	85	95	96	89	94	91	87	92
Aged 60 and over	91	89	82	74	74	82	83	92	84	86	81	83	87
Income under \$30,000	79	82	75	57	67	72	81	83	77	77	75	67	71
Income \$30,000 and over	101	103	96	86	86	89	97	100	92	97	93	92	96

Personal financial situation now compared to a year ago

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

Personal financial situation expected one year from now

FLORIDA	98	100	97	90	90	92	95	99	95	96	92	92	96
Men	98	102	94	95	94	93	100	104	97	102	95	99	96
Women	98	98	99	86	87	90	92	96	93	90	90	88	96
Under age 60	104	107	104	98	98	101	105	109	106	107	107	99	106
Aged 60 and over	80	83	81	72	71	75	73	83	77	75	68	77	76
Income under \$30,000	88	95	90	74	81	78	89	96	81	85	82	74	78
Income \$30,000 and over	102	106	103	98	96	100	99	104	103	101	101	99	105

Expected national economic conditions over the next year

FLORIDA	84	84	75	56	66	72	84	86	77	81	76	73	78
Men	93	90	83	67	78	74	90	92	81	93	88	85	87
Women	84	79	70	47	58	70	79	81	74	70	68	66	70
Under age 60	90	85	75	53	67	73	87	84	78	78	74	70	77
Aged 60 and over	82	83	76	64	68	72	81	89	76	86	80	81	86
Income under \$30,000	74	71	59	37	61	68	86	80	69	71	71	61	62
Income \$30,000 and over	90	93	80	61	68	73	86	90	81	82	79	78	85

Expected national economic conditions over the next 5 years

FLORIDA	88	88	80	70	76	78	84	90	79	83	78	75	85
Men	95	96	89	76	86	84	91	94	85	96	91	80	88
Women	85	83	74	65	69	73	78	87	74	72	70	72	83
Under age 60	89	87	78	68	74	77	86	86	76	84	79	73	85
Aged 60 and over	93	92	84	72	81	80	81	97	84	84	80	79	88
Income under \$30,000	72	78	70	53	65	74	82	78	66	73	68	61	63
Income \$30,000 and over	93	96	84	76	81	78	86	94	84	86	86	80	90

Is this a good time to buy major household items?

FLORIDA	113	113	109	91	88	98	105	109	102	106	102	100	100
Men	119	115	117	99	95	107	107	109	107	109	104	108	100
Women	110	112	104	85	83	90	103	109	97	104	101	95	100
Under age 60	111	113	111	89	88	91	104	109	98	104	101	97	101
Aged 60 and over	120	113	103	95	90	110	105	113	107	110	107	106	102
Income under \$30,000	96	100	94	72	78	85	89	100	101	91	91	87	90
Income \$30,000 and over	121	119	114	101	96	103	114	113	101	112	107	103	105

*Revised. †Preliminary.

FLORIDA ECONOMIC AND CONSUMER SURVEY
June 27, 2006
Bureau of Economic and Business Research
University of Florida

CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	417	Race		Gender	
		% Non-white	15	% Male	46
Average age	53	% White	85	% Female	54
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	14	% Yes	13	% North	24
% \$20,000 to \$29,999	13	% No	87	% Central	16
% \$30,000 to \$49,999	29			% Southeast	30
% over \$50,000	44			% Southwest	30