

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 plummeted in June down to 57, a new record low. The revised index for May is now 63, which was one point lower than the previous record low of 64 reached in December, 1991. All five of the components making up the index fell, although the most dramatic declines were among the three index components that tend to be less volatile. All three of these components reached new record lows. These include perceptions of personal finances now compared to a year ago which fell five points to 50, and perceptions of expected personal finances a year from now which fell four points to 73. Perceptions of U.S. economic conditions over the next year fell one point to 50, while perceptions of U.S. economic conditions over the next five years fell three points to 67. The largest drop was in perceptions as to whether it is a good time to buy big ticket consumer items. That component fell 17 points to 47, far below the previous record low of 64.

“These are by far the worst readings we have ever seen,” said Chris McCarty, the Survey Director. “We have often seen dramatic but temporary declines in perceptions of U.S. economic conditions. But these three indexes tend to be fairly stable. There is no other way to interpret these numbers other than to say that Florida consumers are hurting. Based on these results I would have to predict consumer spending in Florida to pull back dramatically in the coming months.”

Consumer confidence is designed as a gauge of consumer spending. Retail sales have been temporarily boosted by the rebate checks, but much of that is being spent on increases in energy and food prices. Florida unemployment rose in May by half a percentage point, a very large increase historically. Housing prices have continued to decline and have yet to stabilize, although there are some signs that prices in some areas are getting near the bottom. The outlook for consumers in the near term is still bleak.

“The current economic decline began with housing, and in many ways it will end with housing,” said McCarty. “A large part of the uncertainty in the financial markets is due to uncertainty about the true value of homes. Once prices stabilize, banks, investors and potential buyers will have confidence in the financial system and will be willing to engage in responsible borrowing and lending behavior. Until that happens Florida state and local government will suffer from low tax revenues. As of April median single family home prices in Florida were down just under 23% from their high in June 2006. We expect further declines for May, June and July, with housing prices hitting their low soon thereafter. In the near term we do not expect consumer confidence in Florida to decline much further, and it will actually improve once gas prices decline. Given the low likelihood that the Federal Reserve will lower interest rates further, and may actually increase rates, there may soon be pressure on gas prices to be lower.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
June 30, 2008
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University of Florida

| | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Nov-07 | Dec-07 | Jan-08 | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-07 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Consumer Confidence Index | | | | | | | | | | | | | |
| FLORIDA | 82 | 81 | 78 | 77 | 79 | 76 | 74 | 70 | 73 | 70 | 66 | 63 | 57 |
| Men | 89 | 82 | 83 | 76 | 85 | 80 | 79 | 75 | 79 | 74 | 67 | 70 | 60 |
| Women | 77 | 81 | 75 | 76 | 75 | 74 | 70 | 66 | 68 | 66 | 65 | 59 | 55 |
| Under age 60 | 86 | 83 | 81 | 81 | 79 | 77 | 75 | 72 | 73 | 69 | 67 | 64 | 57 |
| Aged 60 and over | 77 | 77 | 76 | 73 | 79 | 76 | 72 | 68 | 74 | 70 | 64 | 63 | 58 |
| Income under \$30,000 | 70 | 67 | 67 | 66 | 73 | 69 | 64 | 58 | 66 | 62 | 60 | 58 | 54 |
| Income \$30,000 and over | 89 | 88 | 84 | 81 | 80 | 80 | 77 | 74 | 76 | 74 | 67 | 66 | 59 |
| Personal financial situation now compared to a year ago | | | | | | | | | | | | | |
| FLORIDA | 78 | 73 | 72 | 71 | 69 | 70 | 64 | 65 | 65 | 64 | 59 | 55 | 50 |
| Men | 86 | 71 | 79 | 75 | 76 | 73 | 69 | 75 | 71 | 69 | 61 | 68 | 52 |
| Women | 72 | 75 | 67 | 75 | 64 | 68 | 61 | 56 | 59 | 59 | 58 | 47 | 49 |
| Under age 60 | 86 | 78 | 78 | 72 | 70 | 73 | 67 | 67 | 66 | 67 | 63 | 56 | 54 |
| Aged 60 and over | 66 | 64 | 65 | 70 | 69 | 68 | 58 | 62 | 64 | 59 | 54 | 56 | 44 |
| Income under \$30,000 | 51 | 48 | 49 | 45 | 54 | 59 | 41 | 42 | 50 | 47 | 40 | 43 | 35 |
| Income \$30,000 and over | 88 | 83 | 83 | 80 | 74 | 74 | 70 | 73 | 71 | 71 | 64 | 61 | 56 |
| Personal financial situation expected one year from now | | | | | | | | | | | | | |
| FLORIDA | 88 | 89 | 88 | 86 | 90 | 86 | 87 | 82 | 84 | 88 | 79 | 77 | 73 |
| Men | 94 | 86 | 92 | 83 | 96 | 89 | 89 | 83 | 89 | 90 | 80 | 82 | 73 |
| Women | 83 | 91 | 85 | 83 | 86 | 84 | 85 | 82 | 80 | 87 | 78 | 73 | 72 |
| Under age 60 | 98 | 99 | 99 | 97 | 100 | 93 | 96 | 92 | 91 | 98 | 89 | 84 | 84 |
| Aged 60 and over | 72 | 71 | 73 | 71 | 75 | 78 | 75 | 70 | 76 | 73 | 65 | 65 | 56 |
| Income under \$30,000 | 76 | 81 | 83 | 74 | 83 | 72 | 77 | 77 | 75 | 72 | 56 | 70 | 70 |
| Income \$30,000 and over | 97 | 95 | 93 | 90 | 93 | 94 | 91 | 89 | 89 | 94 | 85 | 78 | 75 |
| Expected national economic conditions over the next year | | | | | | | | | | | | | |
| FLORIDA | 75 | 73 | 70 | 69 | 73 | 62 | 65 | 55 | 65 | 58 | 52 | 51 | 50 |
| Men | 80 | 72 | 75 | 66 | 76 | 63 | 72 | 56 | 72 | 60 | 55 | 54 | 54 |
| Women | 71 | 73 | 66 | 66 | 71 | 61 | 60 | 54 | 59 | 56 | 50 | 48 | 46 |
| Under age 60 | 75 | 71 | 67 | 71 | 71 | 59 | 62 | 56 | 64 | 50 | 49 | 49 | 46 |
| Aged 60 and over | 75 | 74 | 76 | 69 | 77 | 65 | 68 | 54 | 66 | 67 | 55 | 53 | 54 |
| Income under \$30,000 | 69 | 60 | 63 | 69 | 71 | 58 | 66 | 52 | 66 | 54 | 48 | 50 | 55 |
| Income \$30,000 and over | 78 | 77 | 71 | 68 | 73 | 64 | 66 | 56 | 64 | 60 | 51 | 52 | 49 |
| Expected national economic conditions over the next 5 years | | | | | | | | | | | | | |
| FLORIDA | 82 | 80 | 77 | 80 | 78 | 79 | 79 | 74 | 83 | 76 | 72 | 70 | 67 |
| Men | 88 | 83 | 79 | 78 | 82 | 85 | 83 | 79 | 86 | 82 | 71 | 75 | 68 |
| Women | 79 | 78 | 76 | 78 | 75 | 75 | 77 | 71 | 80 | 71 | 73 | 66 | 66 |
| Under age 60 | 82 | 78 | 75 | 82 | 72 | 76 | 78 | 72 | 81 | 71 | 69 | 69 | 62 |
| Aged 60 and over | 84 | 83 | 81 | 78 | 87 | 83 | 81 | 79 | 86 | 83 | 76 | 71 | 75 |
| Income under \$30,000 | 75 | 65 | 72 | 75 | 75 | 70 | 66 | 58 | 77 | 70 | 46 | 69 | 72 |
| Income \$30,000 and over | 86 | 88 | 79 | 81 | 77 | 83 | 84 | 78 | 84 | 80 | 71 | 72 | 66 |
| Is this a good time to buy major household items? | | | | | | | | | | | | | |
| FLORIDA | 87 | 91 | 85 | 81 | 84 | 84 | 75 | 74 | 69 | 64 | 67 | 64 | 47 |
| Men | 97 | 96 | 91 | 80 | 93 | 89 | 82 | 81 | 75 | 71 | 69 | 71 | 50 |
| Women | 76 | 88 | 80 | 80 | 78 | 81 | 70 | 68 | 64 | 58 | 66 | 59 | 44 |
| Under age 60 | 90 | 90 | 85 | 83 | 80 | 82 | 73 | 72 | 62 | 60 | 65 | 60 | 37 |
| Aged 60 and over | 85 | 94 | 86 | 78 | 90 | 88 | 76 | 77 | 75 | 70 | 68 | 71 | 61 |
| Income under \$30,000 | 79 | 79 | 68 | 68 | 81 | 84 | 71 | 63 | 64 | 68 | 56 | 60 | 38 |
| Income \$30,000 and over | 94 | 95 | 92 | 85 | 84 | 88 | 75 | 75 | 70 | 66 | 64 | 64 | 49 |

*Revised. †Preliminary.

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

| | | | | | |
|-------------------------------|-----|------------------------|----|---------------|----|
| Sample Size | 360 | Race | | Gender | |
| | | % Non-white | 16 | % Male | 44 |
| Average age | 54 | % White | 84 | % Female | 56 |
| Income Characteristics | | Hispanic Origin | | Region | |
| % less than \$20,000 | 18 | % Yes | 8 | % North | 30 |
| % \$20,000 to \$29,999 | 14 | % No | 92 | % Central | 18 |
| % \$30,000 to \$49,999 | 21 | | | % Southeast | 26 |
| % over \$50,000 | 47 | | | % Southwest | 26 |