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Consumer Confidence

Consumer confidence among Floridians rose in July from an all time low in June. The July index was 60, up three points from the preliminary June index of 57 and one point higher than the revised June index of 59. Of the five components, three rose and two declined. Perceptions of personal finances now compared to a year ago fell four points to 47, another all time low for that component. Perceptions of personal finances over the next year rose six points to 79. 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 two points to 67. Perceptions as to whether it is a good time to buy big ticket items rose nine points to 59.

"Consumers are quite gloomy about their current finances, but expect some change over the next year," said Chris McCarty, the Survey Director. "Consumers now understand the full impact of all the negative economic news. Housing sales and prices have been declining steadily, but that cannot go on forever. Floridians may be looking ahead to a bottoming out of home prices, which may come sooner than expected, and a pick up in sales which will probably not occur until next year. Oil prices have declined recently, a combination of lower demand and less speculative buying as betting on increasing oil is not as good of a risk as it was a month ago."

Most of the recent economic news has been negative. There are continued negative earnings reports from banks and financial institutions and nothing but bad news from automakers. Jobless claims are still high and there is no reason to believe that will not continue in the near term. The Federal Reserve has made it clear that it will not lower interest rates and may consider raising them in the next few months in a battle against inflation.

"Consumer confidence over the next few months will probably stay at these very low levels, but is not likely to go much lower," said McCarty. "Consumers tend to absorb both good and bad news over time. At this point they have factored in high prices, job insecurity and instability in the housing and financial markets. There is no doubt that the remainder of the year will be quite difficult for retailers, but I do not expect the pessimism about the economy to go much further under current conditions."

FLORIDA ECONOMIC AND CONSUMER SURVEY†

July 25, 2008

Bureau of Economic and Business Research

University of Florida

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

*Revised. †Preliminary.

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	407	Race		Gender	
		% Non-white	18	% Male	43
Average age	55	% White	82	% Female	57
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	15	% Yes	10	% North	25
% \$20,000 to \$29,999	10	% No	90	% Central	19
% \$30,000 to \$49,999	21			% Southeast	26
% over \$50,000	54			% Southwest	30