

**FLORIDA CONSUMER CONFIDENCE INDEX**  
**August 31, 2007**  
**FOR IMMEDIATE RELEASE**



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 fell three points in August to 78. All five components of the index fell. Perceptions of personal finances now compared to a year ago fell one point to 72 while perceptions of personal finances a year from now fell one point to 88. Perceptions of U.S. economic conditions over the next year fell three points to 70, while perceptions of U.S. economic conditions over the next five years fell three points to 77. Perceptions of whether it is a good time to buy big-ticket consumer items fell six points to 85.

“A lot happened in August to shake consumer confidence,” said Chris McCarty, the Survey Director. “Everybody knows by now that the problems in the housing market have spread well beyond that sector alone. What we are seeing now is a pull back in lending which is making problems worse for both buyers and sellers. This caused a very large drop in the stock market in the second half of the month. The stock market has since regained much of the loss, but there is still a lot of uncertainty about how far this will go.”

Other aspects of the economy actually improved for consumers in August. Gas prices, which had been a primary driver of consumer confidence, fell more than 18 cents in Florida. This has helped lower income households that spend a larger percentage of their income on energy costs. Inflation has been in check, which raises the possibility that the Federal Reserve may consider lowering the federal funds rate, which should help those affected by the decline in housing. Employment levels from July showed signs of weakening, although overall levels remain strong.

“Going forward, we expect consumer confidence to remain at these low levels, and perhaps decline more,” said McCarty. “One problem for Floridians that has not received enough attention is the rise in the rates lenders charge on jumbo loans, .86% since May. These are loans that exceed the \$417,000 limit for purchase by Fannie and Freddie Mae which provide a secondary market for home loans. The problem is that, compared to other states, Florida has a disproportionately high percentage of homes that exceed \$417,000. This will make it more expensive for people to buy homes in many Florida markets.”

# FLORIDA ECONOMIC AND CONSUMER SURVEY†

August 31, 2007

Bureau of Economic and Business Research

University of Florida

	Aug-06	Sep-06	Oct-06	Nov-06	Dec-05	Jan-07	Feb-07	Mar-07	Apr-06	May-07	Jun-07	Jul-07	Aug-07
<b>Consumer Confidence Index</b>													
FLORIDA	77	83	90	93	90	89	92	86	85	81	82	81	78
Men	84	90	98	96	95	95	97	90	94	88	89	82	83
Women	72	78	84	91	87	84	87	83	78	76	77	81	75
Under age 60	79	86	94	96	92	91	97	91	89	83	86	83	81
Aged 60 and over	73	80	82	88	87	87	84	79	80	79	77	77	76
Income under \$30,000	62	72	81	83	77	82	81	70	70	68	70	67	67
Income \$30,000 and over	83	89	95	98	98	93	95	92	93	87	89	88	84
<b>Personal financial situation now compared to a year ago</b>													
FLORIDA	74	76	82	84	84	80	84	80	83	77	78	73	72
Men	76	78	95	93	88	87	90	83	93	79	86	71	79
Women	72	75	74	78	81	73	79	78	74	76	72	75	67
Under age 60	79	81	90	92	86	81	94	89	89	83	86	78	78
Aged 60 and over	62	66	69	70	78	78	69	67	75	69	66	64	65
Income under \$30,000	52	53	59	57	62	62	58	48	60	50	51	48	49
Income \$30,000 and over	81	85	91	96	94	88	94	91	94	89	88	83	83
<b>Personal financial situation expected one year from now</b>													
FLORIDA	91	89	97	101	96	92	94	90	93	89	88	89	88
Men	98	90	105	104	95	103	97	92	98	95	94	86	92
Women	86	87	91	97	97	83	92	89	88	84	83	91	85
Under age 60	100	101	109	111	105	108	109	101	106	98	98	99	99
Aged 60 and over	71	69	74	82	81	71	74	73	73	77	72	71	73
Income under \$30,000	77	83	88	84	89	86	86	79	80	80	76	81	83
Income \$30,000 and over	98	93	102	107	101	97	99	93	97	95	97	95	93
<b>Expected national economic conditions over the next year</b>													
FLORIDA	62	73	83	88	84	83	85	78	76	74	75	73	70
Men	68	86	96	93	89	86	92	86	85	86	80	72	75
Women	57	64	75	85	81	80	78	71	68	65	71	73	66
Under age 60	60	72	84	86	85	77	87	80	73	75	75	71	67
Aged 60 and over	64	78	83	93	84	91	82	75	79	74	75	74	76
Income under \$30,000	49	63	73	76	69	78	79	68	61	62	69	60	63
Income \$30,000 and over	65	79	90	91	92	85	86	83	83	79	78	77	71
<b>Expected national economic conditions over the next 5 years</b>													
FLORIDA	73	77	85	93	85	83	87	81	79	76	82	80	77
Men	85	88	92	92	95	88	95	86	89	88	88	83	79
Women	65	70	81	94	77	79	80	77	71	67	79	78	76
Under age 60	71	76	86	94	87	85	87	81	83	76	82	78	75
Aged 60 and over	79	84	84	91	82	82	86	82	74	78	84	83	81
Income under \$30,000	60	70	87	94	70	83	77	64	62	66	75	65	72
Income \$30,000 and over	76	84	87	92	94	84	88	89	85	80	86	88	79
<b>Is this a good time to buy major household items?</b>													
FLORIDA	87	100	101	101	103	106	109	99	97	90	87	91	85
Men	93	108	103	100	110	110	111	100	107	94	97	96	91
Women	82	94	100	101	97	104	108	98	87	87	76	88	80
Under age 60	84	100	102	98	99	102	110	101	96	85	90	90	85
Aged 60 and over	92	102	99	105	109	114	108	97	98	98	85	94	86
Income under \$30,000	74	90	98	104	94	101	106	89	86	81	79	79	68
Income \$30,000 and over	92	108	102	103	107	108	108	101	103	92	94	95	92

\*Revised. †Preliminary.

**FLORIDA ECONOMIC AND CONSUMER SURVEY**  
**August 31, 2007**  
**Bureau of Economic and Business Research**  
**University of Florida**

**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

Sample Size	508	Race		Gender	
		% Non-white	17	% Male	39
Average age	54	% White	83	% Female	61
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	15	% Yes	12	% North	23
% \$20,000 to \$29,999	16	% No	88	% Central	23
% \$30,000 to \$49,999	22			% Southeast	24
% over \$50,000	47			% Southwest	30