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Consumer Confidence

Consumer confidence among Floridians rose three points in September to 64. The preliminary index for August was revised downward a point to 61, two points above the record low of 59 from June 2008. Of the five components that make up the index four rose and one declined. Perceptions of personal finances now compared to a year ago fell three points to 50 while expectations of personal finances one year from now rose five points to 78. Expectations of U.S. economic conditions over the next year rose one point to 52 while expectations of U.S. economic conditions over the next five years rose four points to 66. Perceptions as to whether it is a good time to buy big ticket items rose six points to 74.

“It is not surprising that confidence rose this month as we get further from the debt-ceiling debate,” said Chris McCarty, the survey director. “Confidence actually rose this month among both younger and older respondents, although it is still at historically low levels. Seniors, who were the source of much of the decline last month, are increasingly pessimistic about the economy in both the short and long run. For those 60 and over expectations of U.S. economic conditions over the next year are at a record low of 45. Their expectations of the economy over the next five years are near record lows. The effect of this on the Florida economy would depend on the sector. Overall those aged 25-55 are responsible for most consumption in total dollars, although for some sectors, such as health care, seniors consume more.”

While national debate about spending cuts and entitlements is having a noticeable effect, other economic indicators have contributed to historically low levels of confidence. The unemployment rate in Florida has been stuck at 10.7 percent for the past three months. Job gains from a rebounding tourist industry have been offset by losses in other sectors, such as government employment. With increasing economic woes in Europe tourism may face some temporary setbacks. Housing prices in Florida increased slightly in August to a median price of \$137,500 for an existing single family home. Gas prices are down from August as is typical following Labor Day. One of the biggest impacts on confidence is likely the volatility in the stock market which demonstrated dramatic swings in both August and September following a sharp decline in July. There appear to be no safe haven for investors.

“Around this time of year we start to think about the holiday retail season which is traditionally responsible for more than a third of annual sales in less than two months,” said McCarty. “Forecasts so far are lower than for last year, and with consumer confidence at low levels for virtually all types of respondents holiday shopping may be subdued. Temporary holiday hiring is also expected to be lower this season. The increase in confidence this month was mostly a rebound from very low levels in August. We don’t expect a large increase in confidence until next year, particularly given the looming deadline of November 23rd for the announcement of a deficit reduction plan by the super-commission.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
September 27th, 2011
Bureau of Economic and Business Research
University of Florida

	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11
Consumer Confidence Index													
FLORIDA	68	73	71	70	77	76	72	68	68	66	67	61	64
Men	69	75	73	73	80	76	74	71	72	63	66	64	64
Women	68	72	70	67	74	77	69	66	65	70	67	58	65
Under age 60	72	74	72	75	80	81	75	73	72	74	69	65	68
Aged 60 and over	64	73	70	66	74	73	69	64	65	61	66	57	60
Income under \$30,000	63	61	65	65	71	66	61	59	58	61	59	54	59
Income \$30,000 and over	69	79	74	74	80	80	76	72	73	69	72	65	67
Personal financial situation now compared to a year ago													
FLORIDA	49	54	56	51	58	56	58	56	52	54	58	53	50
Men	54	59	58	55	59	59	61	62	53	53	57	54	54
Women	44	51	55	45	57	53	54	51	51	56	58	51	47
Under age 60	53	55	54	52	64	59	59	63	57	63	62	60	53
Aged 60 and over	45	54	58	49	53	54	56	50	49	47	53	46	48
Income under \$30,000	31	34	42	38	44	36	41	43	38	35	40	43	36
Income \$30,000 and over	55	63	62	56	65	64	62	62	55	62	67	60	56
Personal financial situation expected one year from now													
FLORIDA	78	84	78	81	84	81	80	73	75	74	75	73	78
Men	77	85	80	84	86	81	82	76	80	69	76	75	74
Women	79	83	76	76	82	81	77	69	70	80	74	71	84
Under age 60	90	91	90	100	97	95	97	84	88	92	87	85	89
Aged 60 and over	66	79	66	64	74	68	65	59	65	60	63	61	67
Income under \$30,000	74	76	67	78	84	83	76	68	64	73	60	67	75
Income \$30,000 and over	79	89	83	86	85	83	82	76	82	77	85	78	78
Expected national economic conditions over the next year													
FLORIDA	63	67	69	66	77	77	67	66	68	60	57	51	52
Men	62	67	71	68	78	76	69	66	69	55	53	52	51
Women	63	68	68	63	75	79	66	65	66	67	61	50	54
Under age 60	69	69	71	68	79	83	70	70	74	70	57	51	58
Aged 60 and over	55	67	67	64	76	72	64	62	63	54	58	50	45
Income under \$30,000	68	61	74	67	74	68	57	53	54	64	52	46	49
Income \$30,000 and over	59	69	67	68	77	80	72	69	75	59	60	53	53
Expected national economic conditions over the next 5 years													
FLORIDA	76	77	77	78	81	80	74	72	73	70	69	62	66
Men	71	76	78	77	86	77	76	74	77	61	65	65	64
Women	80	77	76	78	76	84	71	70	68	81	72	59	70
Under age 60	74	77	77	79	82	84	73	74	75	72	66	64	71
Aged 60 and over	79	78	75	75	80	76	73	72	70	69	74	58	59
Income under \$30,000	81	65	71	79	77	72	64	67	71	72	69	57	62
Income \$30,000 and over	73	83	79	79	81	81	78	75	77	69	70	64	68
Is this a good time to buy major household items?													
FLORIDA	75	84	77	76	85	88	80	75	74	72	75	68	74
Men	79	87	78	82	92	89	82	78	79	75	78	75	76
Women	72	81	75	70	78	86	78	72	68	68	72	61	71
Under age 60	75	79	71	75	79	83	74	73	67	71	72	67	70
Aged 60 and over	76	89	82	77	90	92	84	79	79	72	80	70	80
Income under \$30,000	62	71	69	64	75	70	63	66	64	63	72	56	70
Income \$30,000 and over	80	89	80	82	89	91	84	76	76	77	78	71	78
*Revised. †Preliminary.	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	410	Race		Gender	
		% Non-white	18	% Male	54
Average age	58	% White	82	% Female	46
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	18	% Yes	11	% North	22
% \$20,000 to \$29,999	15	% No	89	% Central	19
% \$30,000 to \$49,999	18			% Southeast	22
% over \$50,000	49			% Southwest	37