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**Holiday sales may be up by 5 percent**

From:  
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*Consumer Confidence*

Consumer confidence among Floridians rose four points in October to 95. The index was pushed upward by large increases in two of the five components. The component measuring perceptions of whether it is a good time to buy big ticket items, such as furniture and appliances, rose 14 points to 114. This follows a sharp decline in September of 6 points. The other component that rose dramatically was perceptions of short term economic conditions, which rose eight points to 93. Perceptions of personal finances now compared to a year ago fell three points.

“These are some perplexing results,” said Chris McCarty, the Survey Director. “Perceptions about whether it is a good time to buy items that are often discretionary and often require credit has been somewhat volatile lately. It was unchanged in June through August, fell for a month then more than made up for that loss in October. It’s difficult to tell what is on the minds of consumers. Coupled with the large increase in perceptions of the economy over the next year, it seems consumers in Florida are increasingly convinced the recovery is on its way. There is some reason to believe that is the case, given some economic data. Florida in particular seems to be recovering more quickly than many other states given that it doesn’t depend much on manufacturing.”

Consumer confidence as measured by the University of Michigan was up slightly in their mid-month release. Recent reports on jobless claims have been encouraging, suggesting that layoffs have largely abated and there is some rehiring activity, although this growth is largely dependent on temporary jobs. Continuing claims have also fallen recently, although there is debate whether this is due to the creation of new jobs or those making claims having run out of benefits.

“Given these recent numbers, we may have to revise our predictions about holiday sales,” said McCarty. “Particularly when we are comparing sales this year to a weak holiday season last year, the recent rise in

confidence here in Florida may result in an increase of five percent or more. Much of this depends on whether the funds for recent spending, fueled by tax rebate checks and mortgage refinancing, can continue. Data on mortgage applications shows that refinancing activity has declined sharply since interest rates rose. Further questions come from the fall in perceptions of personal finances which is now back down to 81.”

### ***Survey Method***

The consumer confidence index and its five component indexes are not percentages. The minimum value these indexes can take is 2 if all respondents answered pessimistically on all five questions, and 150 if all respondents answered optimistically on all five questions. The index is benchmarked to 1966, so that a value of 100 represents the same level of confidence for that year. The value of the index is in comparing changes over time rather than looking at an isolated month.

Consumer confidence is designed to measure the mood of consumers towards buying, and thus help to predict buying patterns. Although other economic indicators are also predictors of buying patterns, consumer confidence tends to be available sooner than these indicators. Consumer confidence is also designed to capture the effect of events that may affect buying patterns, but are not immediately reflected in other economic indicators.

The Florida Consumer Attitude Survey is conducted monthly by the UF Survey Research Center of the Bureau of Economic and Business Research at the University of Florida. This 70-station computerized lab surveys Floridians throughout the state through random-digit dialing. Responses are weighted to account for variable response rates across counties.

**FLORIDA ECONOMIC AND CONSUMER SURVEY**  
**October 28, 2003**  
**Bureau of Economic and Business Research**  
**University of Florida**

Oct-02   Nov-02   Dec-02   Jan-03   Feb-03   Mar-03   Apr-03   May-03   Jun-03   Jul-03   Aug-03   Sep-03\*   Oct-03†

**Consumer Confidence Index**

FLORIDA	82	90	86	83	79	81	88	91	93	92	90	91	95
Men	87	95	92	91	88	93	96	96	100	96	100	96	99
Women	78	85	79	76	73	71	83	87	87	88	83	86	92
Under age 60	85	91	88	86	81	82	91	92	94	94	93	93	99
Aged 60 and over	76	88	80	76	77	80	81	90	89	86	84	84	87
Income under \$30,000	77	80	79	75	73	75	80	81	82	82	75	80	84
Income \$30,000 and over	87	95	89	88	85	86	93	96	100	97	100	96	102

**Personal financial situation now compared to a year ago**

FLORIDA	70	80	74	77	78	83	77	85	83	81	82	84	81
Men	72	89	75	81	84	92	79	90	90	81	90	83	83
Women	68	72	72	73	72	76	76	80	77	80	75	84	80
Under age 60	77	84	79	83	86	90	86	91	90	86	88	91	86
Aged 60 and over	51	65	60	63	58	68	52	71	62	68	65	64	70
Income under \$30,000	54	69	66	64	64	76	67	72	70	70	58	74	63
Income \$30,000 and over	79	86	78	86	90	90	85	95	92	87	95	90	91

**Personal financial situation expected one year from now**

FLORIDA	101	99	98	97	95	98	99	99	102	105	100	101	102
Men	103	103	103	101	97	104	103	106	103	106	104	104	104
Women	99	96	93	93	94	93	96	93	100	103	96	98	101
Under age 60	108	103	107	105	102	105	107	106	108	110	106	109	110
Aged 60 and over	81	82	79	76	76	84	80	81	80	89	82	77	82
Income under \$30,000	98	94	91	91	94	101	92	88	89	98	86	91	97
Income \$30,000 and over	104	104	105	104	98	100	103	107	109	110	109	108	107

**Expected national economic conditions over the next year**

FLORIDA	68	81	75	67	59	62	81	85	89	88	83	85	93
Men	75	83	83	79	66	78	90	90	97	94	97	95	95
Women	62	79	66	58	53	49	75	81	82	84	72	77	90
Under age 60	68	80	74	70	57	58	81	82	87	92	83	85	96
Aged 60 and over	71	84	78	60	66	74	82	95	95	78	85	86	85
Income under \$30,000	69	69	75	60	56	49	79	72	80	82	74	75	75
Income \$30,000 and over	70	83	76	70	63	68	81	88	95	92	89	89	102

**Expected national economic conditions over the next 5 years**

FLORIDA	75	85	77	73	74	73	86	88	84	79	82	84	85
Men	82	93	91	83	88	90	97	95	96	87	99	100	93
Women	68	79	63	66	62	59	78	83	75	71	69	72	79
Under age 60	73	82	79	74	73	71	85	83	82	77	82	83	90
Aged 60 and over	81	99	76	72	79	79	88	105	93	85	83	87	78
Income under \$30,000	68	69	66	69	62	65	77	74	70	64	66	74	74
Income \$30,000 and over	81	92	83	74	80	76	91	93	93	86	93	88	93

**Is this a good time to buy major household items?**

FLORIDA	98	105	103	100	92	90	97	100	106	106	106	100	114
Men	104	110	105	112	103	104	108	100	112	110	110	100	119
Women	92	101	102	92	82	78	88	99	102	103	102	101	109
Under age 60	98	104	101	97	87	88	95	100	104	106	106	99	113
Aged 60 and over	96	107	110	111	107	93	102	99	117	107	106	106	120
Income under \$30,000	95	96	98	89	89	85	83	98	103	98	91	87	110
Income \$30,000 and over	99	110	102	109	95	95	104	100	111	110	114	106	117

\*Revised. †Preliminary.

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

Sample Size	453	Race		Gender	
		% Non-white	22	% Male	47
Average age	49	% White	78	% Female	53
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	19	% Yes	12	% North	23
% \$20,000 to \$29,999	18	% No	88	% Central	18
% \$30,000 to \$49,999	22			% Southeast	28
% over \$50,000	41			% Southwest	31