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Consumer Confidence

Consumer confidence among Floridians fell a point in October to 63, four points above the record low of 59 from June 2008. Three of the five components declined while two increased. Perceptions of personal finances now compared to a year increased five points to 54 while expectations of personal finances a year from now fell two points to 72. Expectations of the U.S. economy over the next year rose two points to 55 while expectations of the economy over the next five years fell one point to 67. Perceptions as to whether it is a good time to buy big ticket items fell four points to 70.

“Consumer confidence continues to be in the doldrums uncomfortably near record low levels here in Florida,” said Chris McCarty the Survey Director. “There have been no consistent economic developments over the past couple of months to push confidence lower or raise it from its historically low levels. With confidence low, consumer spending in Florida had been down for the past couple of months, although a recent increase in retail sales at the national level may bode well for Florida, at least temporarily. Seniors continue to report declining personal finances, but that will improve somewhat with a cost of living adjustment to social security payments starting in January. We must keep in mind that the Super-Commission is required to come up with recommendations for budget cuts by November 23rd or automatic cuts will be triggered. Regardless of the outcome we can expect renewed media coverage similar to the debt ceiling discussion in August that many consumers found unnerving.”

Unemployment in Florida declined .1 percent to 10.6 after a being stuck at 10.7 percent for the past several months. This is clearly better than the record level of 12.5% from March 2010, but still high. While there was a net increase in private sector jobs, at least part of the improvement was due to a decline in the number of people looking for jobs. Housing prices appear to be near bottoming out however a large overhang of unprocessed foreclosures and a reduction in the maximum loan Fannie Mae and Freddie Mac will finance may put further pressure on housing prices. The stock market has exhibited wild swings since August with several days of 3 percent losses and gains.

“Around this time of year we start to think about holiday sales,” said McCarty. “For many retailers this can easily represent 30-40 percent of their yearly sales. With consumer confidence low most retailers are not expecting a strong holiday season in comparison to 2010 which was much better than 2009. The National Retail Federation predicts a 2.8 percent increase this holiday season and relatively flat holiday seasonal hiring. Given the current economy sales in Florida will probably not exceed that. ”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
October 25th, 2011
Bureau of Economic and Business Research
University of Florida

	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11
Consumer Confidence Index													
FLORIDA	73	71	70	77	76	72	68	68	66	67	61	64	63
Men	75	73	73	80	76	74	71	72	63	66	64	63	65
Women	72	70	67	74	77	69	66	65	70	67	58	65	62
Under age 60	74	72	75	80	81	75	73	72	74	69	65	68	66
Aged 60 and over	73	70	66	74	73	69	64	65	61	66	57	59	61
Income under \$30,000	61	65	65	71	66	61	59	58	61	59	54	58	52
Income \$30,000 and over	79	74	74	80	80	76	72	73	69	72	65	66	70
Personal financial situation now compared to a year ago													
FLORIDA	54	56	51	58	56	58	56	52	54	58	53	49	54
Men	59	58	55	59	59	61	62	53	53	57	54	52	57
Women	51	55	45	57	53	54	51	51	56	58	51	45	49
Under age 60	55	54	52	64	59	59	63	57	63	62	60	51	65
Aged 60 and over	54	58	49	53	54	56	50	49	47	53	46	47	45
Income under \$30,000	34	42	38	44	36	41	43	38	35	40	43	36	39
Income \$30,000 and over	63	62	56	65	64	62	62	55	62	67	60	54	63
Personal financial situation expected one year from now													
FLORIDA	84	78	81	84	81	80	73	75	74	75	73	74	72
Men	85	80	84	86	81	82	76	80	69	76	75	71	74
Women	83	76	76	82	81	77	69	70	80	74	71	78	71
Under age 60	91	90	100	97	95	97	84	88	92	87	85	87	81
Aged 60 and over	79	66	64	74	68	65	59	65	60	63	61	62	64
Income under \$30,000	76	67	78	84	83	76	68	64	73	60	67	70	53
Income \$30,000 and over	89	83	86	85	83	82	76	82	77	85	78	75	83
Expected national economic conditions over the next year													
FLORIDA	67	69	66	77	77	67	66	68	60	57	51	53	55
Men	67	71	68	78	76	69	66	69	55	53	52	51	54
Women	68	68	63	75	79	66	65	66	67	61	50	56	55
Under age 60	69	71	68	79	83	70	70	74	70	57	51	59	54
Aged 60 and over	67	67	64	76	72	64	62	63	54	58	50	47	55
Income under \$30,000	61	74	67	74	68	57	53	54	64	52	46	51	49
Income \$30,000 and over	69	67	68	77	80	72	69	75	59	60	53	52	55
Expected national economic conditions over the next 5 years													
FLORIDA	77	77	78	81	80	74	72	73	70	69	62	68	67
Men	76	78	77	86	77	76	74	77	61	65	65	63	66
Women	77	76	78	76	84	71	70	68	81	72	59	74	67
Under age 60	77	77	79	82	84	73	74	75	72	66	64	71	65
Aged 60 and over	78	75	75	80	76	73	72	70	69	74	58	63	68
Income under \$30,000	65	71	79	77	72	64	67	71	72	69	57	63	59
Income \$30,000 and over	83	79	79	81	81	78	75	77	69	70	64	69	71
Is this a good time to buy major household items?													
FLORIDA	84	77	76	85	88	80	75	74	72	75	68	74	70
Men	87	78	82	92	89	82	78	79	75	78	75	79	75
Women	81	75	70	78	86	78	72	68	68	72	61	70	65
Under age 60	79	71	75	79	83	74	73	67	71	72	67	71	65
Aged 60 and over	89	82	77	90	92	84	79	79	72	80	70	79	75
Income under \$30,000	71	69	64	75	70	63	66	64	63	72	56	68	60
Income \$30,000 and over	89	80	82	89	91	84	76	76	77	78	71	81	76
*Revised. †Preliminary.								May-11					
	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	403	Race		Gender	
		% Non-white	20	% Male	51
Average age	59	% White	80	% Female	49
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	18	% Yes	8	% North	24
% \$20,000 to \$29,999	12	% No	92	% Central	19
% \$30,000 to \$49,999	21			% Southeast	22
% over \$50,000	49			% Southwest	35