

**FLORIDA CONSUMER CONFIDENCE INDEX**  
**December 27, 2005**  
**FOR IMMEDIATE RELEASE**



**UNIVERSITY OF  
FLORIDA**

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*Consumer Confidence*

Consumer confidence marked big gains this month, rising six points from 84 in November to 90 in December. The increase in confidence was broad-based, reflecting higher indexes for all five components of the index. The largest gain was in perceptions of US business conditions over the next year which rose 12 points from 72 in November to 84 in December. This component is now two points higher than at the same time last year. Perceptions of US business conditions over the next five years rose five points from 78 to 83. Perceptions of personal finances now compared to a year ago rose from 80 to 86 and expectations about personal finances a year from now rose from 92 to 96. Perceptions as to whether it is a good time to buy big-ticket items rose eight points to 106 and is now two points higher than the same time last year.

“Continued declines in gasoline prices, an upbeat stock market and high levels of employment all contributed to gains in consumer confidence this month,” said Chris McCarty, the Survey Director. “Frankly, we had been expecting a moderate rise in confidence at best, given rising interest rates and expectations that energy prices will soon be climbing again. However, these effects have not hit the Florida consumer yet, and given the positive indicators, consumers appear to be feeling pretty good about the economy and their finances. This should be good news for Florida retailers who have been concerned about the holiday shopping season.”

Nationally, retail sales for the holiday season have been slow to gain momentum. November sales retail sales showed very slow growth, primarily due to falling auto sales and the effect of lower gasoline prices on gasoline sales. Recent data from chain stores suggests that holiday spending may be picking up. Given the extra Saturday before Christmas, some forecasters suggest that many consumers may be waiting to make holiday purchases until the last minute. Retailers will need that kind of boost to make significant gains over last year, given the slow start and the reasonably good sales performance in 2004.

“Moving ahead there are two things to keep an eye on,” said McCarty. “First are energy prices. As colder weather up north raises demands on many types of energy, particularly natural gas, energy bills there and in Florida will rise. Second is the effect of rising interest rates on the housing market. There are already signs of a slow-down in real estate, particularly in Florida markets that have been bid up due to speculative buying. In 2006 we will see a dramatic slowing in home equity loans and refinancing that has been fueling consumer spending for the past several years. Consumers will have to make some tough choices, most likely later in the year. Consumer confidence for the next month or two may remain at current levels, but we expect it to decline as these drags on consumer spending are realized.”

**FLORIDA ECONOMIC AND CONSUMER SURVEY†**  
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**University of Florida**

Dec-04   Jan-05   Feb-05   Mar-05   Apr-05   May-05   Jun-05   Jul-05   Aug-05   Sep-05   Oct-05   Nov-05   Dec-05

**Consumer Confidence Index**

FLORIDA	91	93	97	92	91	91	96	95	89	78	80	84	90
Men	97	99	102	96	94	96	99	99	94	85	88	88	96
Women	86	89	92	89	88	87	93	91	86	71	74	80	84
Under age 60	96	96	99	95	96	97	98	97	93	79	82	85	95
Aged 60 and over	82	90	93	88	83	81	91	89	82	74	74	82	81
Income under \$30,000	75	82	82	81	81	77	79	82	75	57	67	72	76
Income \$30,000 and over	99	101	102	98	96	99	101	103	96	86	86	89	98

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

FLORIDA	87	85	91	88	90	87	90	87	86	80	79	80	86
Men	90	90	98	94	94	95	92	91	88	90	87	84	90
Women	84	80	85	82	87	81	88	85	85	71	73	76	82
Under age 60	93	90	98	96	99	96	95	93	96	86	86	85	91
Aged 60 and over	75	75	77	71	76	72	80	73	65	66	62	71	76
Income under \$30,000	64	65	68	67	73	61	64	66	61	48	51	54	56
Income \$30,000 and over	98	97	100	101	100	102	100	99	99	94	91	91	99

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

FLORIDA	94	98	99	93	96	96	98	100	97	90	90	92	96
Men	99	102	102	95	99	99	98	102	94	95	94	93	101
Women	91	94	96	92	93	94	98	98	99	86	87	90	91
Under age 60	107	104	106	103	107	107	104	107	104	98	98	101	106
Aged 60 and over	69	86	83	76	76	76	80	83	81	72	71	75	72
Income under \$30,000	84	91	87	83	86	84	88	95	90	74	81	78	89
Income \$30,000 and over	101	104	105	102	100	104	102	106	103	98	96	100	100

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

FLORIDA	82	87	93	83	77	79	84	84	75	56	66	72	84
Men	90	95	100	85	81	86	93	90	83	67	78	74	93
Women	76	81	86	81	74	74	84	79	70	47	58	70	74
Under age 60	86	87	93	82	78	83	90	85	75	53	67	73	88
Aged 60 and over	76	88	96	84	74	69	82	83	76	64	68	72	78
Income under \$30,000	67	77	75	73	69	69	74	71	59	37	61	68	77
Income \$30,000 and over	89	95	100	87	81	83	90	93	80	61	68	73	91

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

FLORIDA	87	88	88	84	80	82	88	88	80	70	76	78	83
Men	95	93	93	89	83	90	95	96	89	76	86	84	93
Women	81	84	83	79	78	76	85	83	74	65	69	73	73
Under age 60	88	87	87	80	79	86	89	87	78	68	74	77	85
Aged 60 and over	87	90	90	91	82	76	93	92	84	72	81	80	81
Income under \$30,000	65	76	72	73	65	70	72	78	70	53	65	74	78
Income \$30,000 and over	96	94	93	86	85	90	93	96	84	76	81	78	87

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

FLORIDA	104	110	113	114	110	111	113	113	109	91	88	98	106
Men	112	114	115	116	114	113	119	115	117	99	95	107	106
Women	97	106	112	113	107	109	110	112	104	85	83	90	102
Under age 60	106	110	113	112	114	111	111	113	111	89	88	91	104
Aged 60 and over	102	109	117	117	104	113	120	113	103	95	90	110	100
Income under \$30,000	96	99	106	108	111	101	96	100	94	72	78	85	800
Income \$30,000 and over	108	116	115	117	111	116	121	119	114	101	96	103	116

\*Revised. †Preliminary.

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

Sample Size	401	Race		Gender	
		% Non-white	21	% Male	50
Average age	51	% White	79	% Female	50
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	18	% Yes	8	% North	24
% \$20,000 to \$29,999	13	% No	92	% Central	18
% \$30,000 to \$49,999	24			% Southeast	22
% over \$50,000	44			% Southwest	36