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Consumer Confidence

Consumer confidence remained unchanged in December from the revised index of 71 in November. Despite the flat overall reading, there was considerable movement among the five components that make up the index. Perceptions of personal finances now compared to a year ago fell five points to 51, while perceptions of personal finances a year from now rose two points to 80. It is worth noting the growing divide between what consumers say they have, and what they expect for the future. Perceptions of U.S. economic conditions over the next year fell four points to 65 while perceptions of economic conditions over the next five years rose one point to 78. Perceptions as to whether it is a good time to buy big ticket items, such as cars and appliances also rose one point to 78.

“Consumer confidence among Floridians has settled into a long term pattern, oscillating between the upper 60s and low 70s,” said Chris McCarty, the Survey Director. “Historically numbers this low would be consistent with recessionary levels. The recession of 2008-2009 changed that. Unlike past recessions where consumers led the recovery, this recovery is leaving a substantial proportion of the population behind. Businesses are being more productive with less and looking overseas for future business. It is clear that this trend will not change by doing business as usual. Particularly here in Florida there must be dramatic changes in the types of business we engage in. This means moving away from an economy based primarily on development and construction to one with a stronger manufacturing sector, whether that is high technology manufacturing or not.”

The pattern of a jobless recovery is worse in Florida than nationally. Unemployment edged up again in November to 12 percent while nationally it went up to 9.8. The preliminary estimate of national consumer sentiment as measured by the University of Michigan is up more than two points and almost three points higher than Florida. Although housing prices have been steady, sales have dropped over the past two months. The stock market, a source of present and future income for many Floridians, has made up much of the losses from the crash in 2008-2009.

“Another major source of growth for Florida comes from retail sales and travel related to the holidays,” said McCarty. “Early indications are that holiday sales are higher than was originally expected. Those who still have jobs have paid down debt and are in a position to make discretionary purchases. Retailers are offering large discounts on some items, particularly electronics, which has also boosted holiday sales. It remains to be seen whether this holiday season ends up being as strong as sales volume indicates. Over the next few years the inability of the large number of unemployed to add to sales will be a drag on what would normally be a consumer-led recovery.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
December 28th, 2010
Bureau of Economic and Business Research
University of Florida

| | Dec-09 | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 | Jul-10 | Aug-10 | Sep-10 | Oct-10 | Nov-10 | Dec-10 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------|--------|--------|--------|
| Consumer Confidence Index | | | | | | | | | | | | | |
| FLORIDA | 69 | 74 | 73 | 71 | 78 | 70 | 67 | 66 | 66 | 68 | 73 | 71 | 71 |
| Men | 69 | 77 | 71 | 72 | 78 | 75 | 67 | 68 | 70 | 69 | 75 | 73 | 74 |
| Women | 68 | 71 | 74 | 68 | 78 | 66 | 67 | 64 | 63 | 68 | 72 | 70 | 67 |
| Under age 60 | 68 | 74 | 77 | 73 | 81 | 72 | 70 | 70 | 67 | 72 | 74 | 72 | 75 |
| Aged 60 and over | 70 | 74 | 67 | 68 | 73 | 68 | 64 | 62 | 65 | 64 | 73 | 70 | 66 |
| Income under \$30,000 | 64 | 67 | 67 | 65 | 70 | 58 | 65 | 58 | 59 | 63 | 61 | 65 | 65 |
| Income \$30,000 and over | 71 | 78 | 76 | 74 | 82 | 75 | 69 | 71 | 70 | 69 | 79 | 74 | 75 |
| Personal financial situation now compared to a year ago | | | | | | | | | | | | | |
| FLORIDA | 45 | 53 | 53 | 55 | 57 | 54 | 46 | 48 | 51 | 49 | 54 | 56 | 51 |
| Men | 47 | 56 | 51 | 59 | 57 | 62 | 45 | 52 | 58 | 54 | 59 | 58 | 54 |
| Women | 43 | 49 | 56 | 49 | 57 | 48 | 47 | 44 | 46 | 44 | 51 | 55 | 48 |
| Under age 60 | 45 | 53 | 59 | 57 | 59 | 63 | 51 | 53 | 55 | 53 | 55 | 54 | 54 |
| Aged 60 and over | 45 | 53 | 47 | 52 | 55 | 46 | 40 | 43 | 47 | 45 | 54 | 58 | 48 |
| Income under \$30,000 | 32 | 39 | 38 | 45 | 34 | 29 | 36 | 35 | 39 | 31 | 34 | 42 | 40 |
| Income \$30,000 and over | 52 | 59 | 62 | 61 | 65 | 63 | 51 | 55 | 59 | 55 | 63 | 62 | 56 |
| Personal financial situation expected one year from now | | | | | | | | | | | | | |
| FLORIDA | 80 | 86 | 83 | 82 | 84 | 79 | 76 | 75 | 78 | 78 | 84 | 78 | 80 |
| Men | 80 | 88 | 84 | 83 | 82 | 83 | 76 | 76 | 78 | 77 | 85 | 80 | 83 |
| Women | 81 | 83 | 82 | 81 | 86 | 74 | 75 | 73 | 77 | 79 | 83 | 76 | 75 |
| Under age 60 | 90 | 94 | 95 | 91 | 97 | 88 | 85 | 89 | 88 | 90 | 91 | 90 | 97 |
| Aged 60 and over | 72 | 77 | 68 | 71 | 68 | 68 | 66 | 62 | 68 | 66 | 79 | 66 | 65 |
| Income under \$30,000 | 76 | 84 | 75 | 72 | 90 | 68 | 76 | 68 | 73 | 74 | 76 | 67 | 76 |
| Income \$30,000 and over | 84 | 91 | 88 | 87 | 86 | 84 | 77 | 80 | 83 | 79 | 89 | 83 | 84 |
| Expected national economic conditions over the next year | | | | | | | | | | | | | |
| FLORIDA | 67 | 72 | 68 | 70 | 82 | 66 | 64 | 61 | 58 | 63 | 67 | 69 | 65 |
| Men | 65 | 73 | 65 | 70 | 83 | 69 | 63 | 63 | 58 | 62 | 67 | 71 | 69 |
| Women | 70 | 72 | 70 | 69 | 80 | 63 | 66 | 60 | 57 | 63 | 68 | 68 | 61 |
| Under age 60 | 66 | 71 | 71 | 71 | 86 | 67 | 67 | 65 | 60 | 69 | 69 | 71 | 67 |
| Aged 60 and over | 70 | 74 | 62 | 69 | 78 | 66 | 60 | 58 | 56 | 55 | 67 | 67 | 63 |
| Income under \$30,000 | 72 | 69 | 69 | 59 | 75 | 57 | 65 | 59 | 54 | 68 | 61 | 74 | 66 |
| Income \$30,000 and over | 68 | 73 | 67 | 73 | 88 | 70 | 66 | 64 | 61 | 59 | 69 | 67 | 67 |
| Expected national economic conditions over the next 5 years | | | | | | | | | | | | | |
| FLORIDA | 74 | 79 | 76 | 73 | 79 | 72 | 71 | 70 | 69 | 76 | 77 | 77 | 78 |
| Men | 73 | 80 | 72 | 72 | 81 | 71 | 73 | 68 | 73 | 71 | 76 | 78 | 78 |
| Women | 76 | 78 | 80 | 75 | 77 | 74 | 70 | 72 | 65 | 80 | 77 | 76 | 79 |
| Under age 60 | 69 | 77 | 78 | 75 | 83 | 71 | 72 | 68 | 65 | 74 | 77 | 77 | 81 |
| Aged 60 and over | 80 | 82 | 74 | 72 | 75 | 73 | 71 | 73 | 72 | 79 | 78 | 75 | 75 |
| Income under \$30,000 | 72 | 74 | 78 | 73 | 69 | 68 | 74 | 65 | 64 | 81 | 65 | 71 | 78 |
| Income \$30,000 and over | 75 | 81 | 77 | 74 | 85 | 74 | 72 | 71 | 73 | 73 | 83 | 79 | 80 |
| Is this a good time to buy major household items? | | | | | | | | | | | | | |
| FLORIDA | 75 | 80 | 82 | 73 | 87 | 80 | 77 | 75 | 74 | 75 | 84 | 77 | 78 |
| Men | 81 | 88 | 83 | 77 | 85 | 87 | 79 | 81 | 81 | 79 | 87 | 78 | 84 |
| Women | 70 | 73 | 82 | 67 | 89 | 73 | 75 | 69 | 68 | 72 | 81 | 75 | 71 |
| Under age 60 | 69 | 74 | 82 | 71 | 81 | 72 | 72 | 76 | 68 | 75 | 79 | 71 | 77 |
| Aged 60 and over | 83 | 88 | 83 | 76 | 92 | 88 | 84 | 74 | 81 | 76 | 89 | 82 | 79 |
| Income under \$30,000 | 71 | 68 | 77 | 75 | 79 | 71 | 72 | 64 | 66 | 62 | 71 | 69 | 65 |
| Income \$30,000 and over | 78 | 86 | 86 | 77 | 86 | 83 | 78 | 84 | 76 | 80 | 89 | 80 | 86 |
| | | | | | | | | | | Sep- | | | |
| | Dec-09 | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 | Jul-10 | Aug-10 | 10 | Oct-10 | Nov-10 | Dec-10 |

*Revised. †Preliminary.

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

| | | | | | |
|-------------------------------|-----|------------------------|----|---------------|----|
| Sample Size | 438 | Race | | Gender | |
| | | % Non-white | 18 | % Male | 55 |
| Average age | 60 | % White | 82 | % Female | 45 |
| Income Characteristics | | Hispanic Origin | | Region | |
| % less than \$20,000 | 20 | % Yes | 8 | % North | 26 |
| % \$20,000 to \$29,999 | 16 | % No | 92 | % Central | 17 |
| % \$30,000 to \$49,999 | 23 | | | % Southeast | 22 |
| % over \$50,000 | 41 | | | % Southwest | 35 |