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Consumer Sentiment

Consumer sentiment among Floridians continued its steady rise to reach a post-recession high of 87.4, the highest level since February 2007, nearly eight years ago. Four of the five components that make up the index increased while one decreased, and three of the five were at post-recession highs. Perceptions of personal finances now compared to a year ago fell 3.5 points to 72.5 while expectations of personal finances a year from now rose four points to 86. Expectations of U.S. economic conditions over the next year rose 1.3 points to 87.3 while expectations of U.S. economic conditions over the next five years rose 1.8 points to 86.8. Perceptions as to whether it is a good time to buy big-ticket items rose 3.4 points to 104.4.

“We had expected this slight increase in consumer sentiment given the improving Florida economy,” said Christopher McCarty, the Survey Director. “With the mid-term elections behind us, the passage of a federal budget and an improving economic climate in Florida consumers are more optimistic. The question is whether this optimism will carry over into the New Year. There is reason to believe it will, at least until mid-year when the Federal Reserve may begin raising short term interest rates. Until then economic circumstances for Floridians are likely to improve, although much slower than they have in previous recoveries.”

The employment situation in Florida improved again in November with a .2 percent decline in unemployment now down to 5.8 percent, now matching U.S. unemployment. Most economists consider the natural level of unemployment between 4 and 5 percent. Following recent trends the sector with the most growth was trade, transportation and utilities, a broad category that includes retail trade. The labor force grew marginally by 1,000, and labor force participation remained at historically low level of 60.5 percent. The housing market remained stable with the median price for a single family home falling by \$1,000 to \$176,000. Mortgage rates are relatively unchanged with the 30 year rate hovering around 4 percent. The stock market is currently up for the month after a significant decline in the middle of the month. One of the main drivers of the rise in confidence is the continued decline in gas prices which have fallen to \$2.56 a gallon across Florida, a decline of nearly 25 cents in a month. For many Floridians this represents an enormous savings.

“Our expectations are that the modest rise in consumer sentiment and the favorable economy would translate into increase holiday sales,” said McCarty. “So far the data seem to suggest that holiday sales will surpass last years, but perhaps not by the 4.1 percent forecast by the National Retail Federation. It is worth noting that the holiday season is

typically calculated with all of December to factor in post-holiday sales as well as gift cards. We expect consumer sentiment in January to remain near current levels and perhaps will mark another slight increase.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
December 30, 2014
Bureau of Economic and Business Research
University of Florida

	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Consumer Sentiment Index													
FLORIDA	77	78	78	80	80	78	82	82	82	83	84	86	87.4
Men	79	80	80	83	82	80	85	86	85	85	86	88	89.5
Women	74	75	75	77	77	75	80	77	80	81	82	83	85.2
Under age 60	86	79	82	85	83	78	88	88	86	89	89	89	91.7
Aged 60 and over	71	77	75	77	77	77	79	75	80	78	82	82	85.2
Income under \$30,000	71	75	61	68	65	66	74	73	71	69	82	75	77.9
Income \$30,000 and over	79	81	86	86	87	84	87	86	85	88	87	92	92.4
Personal financial situation now compared to a year ago													
FLORIDA	69	66	63	72	69	71	76	73	74	75	73	76	72.5
Men	75	71	68	77	73	75	79	79	81	79	74	80	75.8
Women	63	62	58	66	64	67	73	68	66	72	71	71	69.2
Under age 60	80	67	69	74	77	70	82	83	82	84	81	81	79.5
Aged 60 and over	61	65	59	69	65	72	73	65	67	69	67	71	69.3
Income under \$30,000	50	56	39	49	47	49	66	51	54	53	71	52	57.8
Income \$30,000 and over	75	70	74	81	81	80	81	82	77	83	74	87	79.2
Personal financial situation expected one year from now													
FLORIDA	78	80	76	83	78	76	83	81	85	83	83	82	86.0
Men	79	83	78	86	80	78	85	83	89	83	87	82	89.9
Women	77	76	74	79	75	73	80	79	81	84	80	82	82.0
Under age 60	96	96	91	98	92	89	102	97	100	100	96	91	101.7
Aged 60 and over	67	71	66	72	70	65	71	67	72	72	76	75	75.9
Income under \$30,000	77	77	68	80	70	66	82	76	77	80	83	76	75.1
Income \$30,000 and over	81	84	84	88	85	80	87	83	87	86	86	86	93.3
Expected national economic conditions over the next year													
FLORIDA	73	76	79	82	78	74	80	80	80	79	82	86	87.3
Men	76	73	82	85	83	76	77	83	80	81	84	86	90.0
Women	70	78	77	79	73	72	83	78	80	77	81	85	84.4
Under age 60	77	75	82	86	79	78	85	86	80	83	86	89	90.2
Aged 60 and over	69	77	77	80	77	71	77	76	80	76	81	82	85.9
Income under \$30,000	72	77	58	69	66	67	77	79	68	63	77	82	81.2
Income \$30,000 and over	73	78	89	87	87	80	83	85	84	83	85	89	90.2
Expected national economic conditions over the next 5 years													
FLORIDA	74	81	79	77	81	76	78	81	80	81	86	85	86.8
Men	76	80	82	78	83	78	81	86	79	83	87	88	87.6
Women	71	82	77	75	79	74	76	75	80	78	85	82	86.0
Under age 60	75	80	79	81	79	74	83	82	77	83	86	86	85.1
Aged 60 and over	72	82	80	75	81	77	75	78	82	79	85	83	87.7
Income under \$30,000	67	86	58	73	69	69	71	76	72	68	93	79	84.8
Income \$30,000 and over	75	82	89	83	86	82	83	84	82	85	85	90	87.7
Is this a good time to buy major household items?													
FLORIDA	91	86	90	86	92	90	94	93	94	96	97	101	104.4
Men	90	93	89	87	92	92	101	100	95	97	99	105	104.3
Women	91	80	92	84	92	88	88	85	93	94	96	96	104.4
Under age 60	101	78	87	85	87	82	90	93	89	94	94	100	102.1
Aged 60 and over	83	91	93	87	94	99	98	91	99	95	100	102	107.3
Income under \$30,000	86	80	81	71	74	81	75	85	83	79	86	87	90.4
Income \$30,000 and over	93	92	95	90	96	97	99	96	95	103	103	107	111.8

*Revised. †Preliminary.

Dec-13 Jan-14 Feb-14 Mar-14 Apr-14 May-14 Jun-14 Jul-14 Aug-14 Sep-14 Oct-14 Nov-14 Dec-14

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	426	Race		Gender	
		% Non-white	17	% Male	52
Average age	62	% White	83	% Female	48
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	20	% Yes	9	% North	22
% \$20,000 to \$29,999	11	% No	91	% Central	22
% \$30,000 to \$49,999	21			% Southeast	21
% over \$50,000	48			% Southwest	35

Data Collection Dates: December 1 to 21, 2014