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Consumer Sentiment

Consumer sentiment among Floridians fell another 1.6 points in May to 89.4, according to the latest University of Florida consumer survey. This reading is lower than the previous 12-month average, trending downward for the third month in a row.

Of the five components that make up the index, three decreased and two increased.

Perceptions of one's personal financial situation now compared with a year ago show the greatest increase, from 80.4 to 85.2, a 4.8-point jump. Expectations of personal finances a year from now rose 1.9 points to 103.1.

Opinions as to whether now is a good time to buy a big-ticket item such as an appliance or automobile plummeted 8.6 points, from 101.4 to 92.8.

"This pessimistic perception is the main force behind the overall decrease in Florida's consumer sentiment index this month and is shared by all Floridians, independent of their age, gender or income," said Hector H. Sandoval, director of the Economic Analysis Program at UF's Bureau of Economic and Business Research. "Nonetheless, it is worth noting that the two groups exhibiting the most drastic change in perceptions as to whether this is a good time to make a big household purchase are the elder population and those with annual income less than \$50,000."

Expectations of U.S. economic conditions over the next year dropped 4 points to 81.6, and expectations of U.S. economic conditions over the next five years decreased 2.1 points, from 86.2 to 84.1.

Both short- and long-run expectations of the U.S. economy have fallen in the past two months. However, this month's negative expectations are accompanied by a substantial decline in readings on current conditions.

"It's unlikely that Floridians are delaying the purchase of big household items because they expect a better deal. Rather, it seems to be an indication of unfavorable opinions about the economy," Sandoval said.

Since the third quarter of 2013, Florida has experienced positive annual state gross domestic product growth rates, according to data from the U.S. Bureau of Economic Analysis. Also, in the first quarter of 2016, Florida hosted a record number of 29.8 million tourists, reflecting positive economic conditions in U.S.

For almost six years—69 consecutive months—Florida's labor market has experienced positive annual job growth. Further, the Florida unemployment rate declined in April from 4.9 to 4.8 percent, according to the latest employment report.

"Despite the positive trends in Florida's economy over recent years, Floridians tend to have pessimistic economic expectations about the future," Sandoval said. "These negative expectations might be associated with the slowdown of China's economy, which experienced its slowest quarterly pace since 2009. But they might also be a result of the

uncertainty associated with the upcoming presidential election, as its outcome will have important consequences for U.S. economic policy.”

Conducted May 1-22, the UF study reflects the responses of 416 individuals who were reached on cellphones, representing a demographic cross-section of Florida.

The index used by UF researchers is benchmarked to 1966, which means a value of 100 represents the same level of confidence for that year. The lowest index possible is a 2, the highest is 150.

FLORIDA ECONOMIC AND CONSUMER SURVEY†
May 27, 2016
Bureau of Economic and Business Research
University of Florida

	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
Consumer Sentiment Index													
FLORIDA	87.9	89.8	90.5	90.7	89.0	89.2	91.1	91.6	92.4	91.8	94.1	91.0	89.4
Men	89.7	93.4	92.4	95.9	91.5	90.3	93.7	96.6	94.7	93.9	96.9	95.5	90.7
Women	86.2	86.4	88.7	85.9	86.5	88.2	88.7	86.9	90.1	89.8	91.6	86.7	88.0
Under age 60	92.0	94.4	93.8	93.1	93.4	93.8	93.4	96.3	96.4	97.6	96.1	95.5	95.1
Aged 60 and over	76.2	79.5	78.7	84.9	77.0	78.2	85.0	79.4	80.9	78.2	88.9	80.0	76.3
Income under \$50,000	83.3	87.0	84.4	85.8	87.8	85.3	89.4	87.3	91.8	89.7	91.7	87.1	83.8
Income \$50,000 and over	95.4	96.3	96.9	98.2	92.1	95.1	97.0	99.3	94.8	97.4	98.8	95.1	96.3
Personal financial situation now compared to a year ago													
FLORIDA	84.2	79.3	85.9	82.6	81.2	79.8	86.9	80.7	83.4	83.9	84.2	80.4	85.2
Men	88.3	85.2	87.8	89.7	86.3	83.1	88.7	88.0	84.6	92.7	89.5	85.1	89.6
Women	80.5	73.7	84.1	76.0	76.3	76.7	85.3	73.9	82.4	75.7	79.3	76.0	81.0
Under age 60	89.7	83.5	93.4	87.0	86.3	85.8	91.7	90.2	87.7	92.6	89.1	88.9	97.1
Aged 60 and over	69.1	69.5	59.0	71.3	66.3	64.5	72.4	57.9	71.6	62.7	70.6	59.4	55.8
Income under \$50,000	71.6	73.2	71.2	71.8	75.0	70.5	77.6	72.1	78.8	77.8	76.4	71.3	75.9
Income \$50,000 and over	99.8	91.0	100.8	96.4	88.4	91.0	101.1	91.7	89.6	94.5	94.4	89.0	94.5
Personal financial situation expected one year from now													
FLORIDA	94.3	102.9	101.8	100.4	97.0	98.4	98.5	98.5	104.0	99.4	105.7	101.2	103.1
Men	97.0	101.1	102.4	100.2	97.6	98.2	102.9	104.8	103.3	102.5	105.3	103.6	106.1
Women	91.8	104.7	101.2	100.6	96.4	98.5	94.5	92.6	104.7	96.5	105.9	98.9	100.3
Under age 60	102.1	111.0	106.5	106.7	106.8	108.7	105.0	107.0	112.2	108.7	112.2	110.5	111.9
Aged 60 and over	73.3	84.4	84.7	80.0	72.5	72.7	79.9	77.6	81.6	77.5	86.8	77.2	83.5
Income under \$50,000	92.9	106.1	99.7	102.3	98.7	96.3	100.6	100.1	106.8	98.7	109.8	104.2	102.4
Income \$50,000 and over	98.3	101.5	103.4	101.8	95.9	102.7	103.5	100.6	104.2	104.1	106.5	101.8	106.8
Expected national economic conditions over the next year													
FLORIDA	85.6	85.0	83.9	88.9	85.3	84.8	84.8	85.9	85.0	87.3	89.5	85.6	81.6
Men	87.7	90.6	85.4	95.8	83.9	83.3	88.1	89.4	85.9	86.3	95.9	93.7	81.0
Women	83.5	79.7	82.5	82.6	86.6	86.3	81.8	82.6	84.2	88.2	83.6	78.2	82.2
Under age 60	90.6	91.2	85.7	90.6	89.0	87.3	86.0	89.0	88.9	92.2	91.1	88.6	83.4
Aged 60 and over	71.2	71.9	77.5	86.8	75.6	79.0	81.5	76.8	74.6	76.2	85.6	79.0	77.2
Income under \$50,000	84.4	82.6	78.8	82.5	88.1	82.4	88.2	81.9	89.4	89.5	89.4	83.2	76.4
Income \$50,000 and over	89.5	90.9	88.7	97.6	82.0	86.9	85.2	91.0	83.4	87.5	91.2	88.2	88.2
Expected national economic conditions over the next 5 years													
FLORIDA	81.3	84.5	83.2	88.4	85.2	86.2	86.7	90.8	88.2	87.3	90.0	86.2	84.1
Men	81.7	87.0	84.3	97.1	87.3	85.2	88.9	93.4	94.2	88.5	92.7	92.2	83.6
Women	80.8	82.0	82.2	80.3	83.2	87.2	84.7	88.5	82.7	86.1	87.5	80.6	84.5
Under age 60	84.8	89.0	84.8	88.7	87.9	89.1	87.5	93.3	91.9	90.9	89.8	88.1	87.3
Aged 60 and over	70.0	75.1	79.5	89.5	78.4	80.7	85.7	83.2	77.8	79.7	91.7	82.9	77.6
Income under \$50,000	80.8	81.9	80.1	83.4	84.6	83.9	86.4	87.5	88.5	83.7	87.6	80.9	79.4
Income \$50,000 and over	84.0	92.7	85.5	98.3	88.8	90.2	89.7	98.6	88.5	96.3	93.6	89.4	88.3
Is this a good time to buy major household items?													
FLORIDA	94.3	97.5	97.6	93.2	96.2	96.8	98.7	101.9	101.1	101.1	101.4	101.4	92.8
Men	94.0	103.2	102.1	96.6	102.7	101.6	100.1	107.5	105.6	99.8	101.0	103.1	93.5
Women	94.5	92.0	93.4	90.1	90.1	92.2	97.4	96.8	96.9	102.4	101.7	99.9	92.2
Under age 60	92.9	97.3	98.5	92.7	97.1	97.9	96.8	101.9	101.5	103.7	98.4	101.4	95.8
Aged 60 and over	97.3	96.6	93.1	97.0	92.3	94.0	105.2	101.7	99.1	94.7	110.1	101.2	87.3
Income under \$50,000	87.0	91.0	92.2	89.0	92.5	93.2	94.3	94.9	95.2	98.8	95.2	95.7	85.0
Income \$50,000 and over	105.5	105.4	105.8	96.9	105.4	104.6	105.5	114.6	108.4	104.8	108.5	106.9	104.0
*Revised. †Preliminary.	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	416	Race		Gender	
		% Non-white	26	% Male	54
Average age	47	% White	74	% Female	46
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	20	% Yes	21	% North	21
% \$20,000 to \$29,999	14	% No	79	% Central	21
% \$30,000 to \$49,999	21			% Southeast	29
% over \$50,000	45			% Southwest	29

Data Collection Dates: May 1 to 22, 2016