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Consumer Confidence

Consumer confidence among Floridians fell two points in February to 72 from a revised January reading of 74. Two of the five components rose while three fell. All five components are above their reading from one year ago. Perceptions of personal finances now compared to a year ago rose one point to 54 while expectations of personal finances a year from now fell four points to 82. Expectations of U.S. economic conditions over the next year fell five points to 67 while expectations of U.S. economic conditions over the next five years fell four points to 75. Perceptions as to whether it is a good time to buy big-ticket consumer items rose a point to 81.

“January’s preliminary index of 75 seemed more optimistic than it should have been given the economic climate in Florida,” said Chris McCarty, the Survey Director. “Following another week of data collection the index was revised downward to 74, which still seemed high. This month the index came down, primarily due to the expectations components both regarding personal finances and the U.S. economy in both the short and long term. However respondents are reporting improvement in their current personal finances. Some of this may have to do with increased saving, improvement in home prices compared to the past two years as well as a sense of stability in the U.S. stock market. It is also worth noting that January’s higher index value was based on data collected prior to the release of unemployment figures for Florida. While national unemployment edged downward in January to 9.7, Florida’s unemployment increased to 11.8. This month Floridians may be coming to terms with the possibility that Florida’s economy will not recover at the same pace as other states.”

There is no question that the economy is in better shape than it was even one year ago. Financial markets are functioning and banks are lending, although they are being cautious. Many of the bad loans made during the latter part of the housing boom have cleared and the extent of the effects is now largely known. The problem comes down to employment and the potential effects of extended high unemployment on other areas of the economy, such as retail sales and housing. Recent data suggest that layoffs have largely abated. The long-term unemployed, those out of work for more than six months, now make up nearly 40 percent of all the unemployed nationally. Although data on long-term unemployment by state are not available, certain sectors that Florida has relied on are disproportionately represented, such as construction. Many of the long-term unemployed in Florida are getting close to running out of benefits.

“Consumer confidence is being sustained at the upper 60s and lower 70s by those who have managed to keep their jobs during this recession,” said McCarty. “This month it is very likely that unemployment in Florida will top 12 percent. It is hard to imagine how consumer confidence in Florida will make any substantial gains when unemployment continues to increase. If unemployment continues to remain above 10 percent through 2010, as is expected, consumer confidence and consumer spending are likely to remain anemic.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
February 19th, 2010
Bureau of Economic and Business Research
University of Florida

	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10
Consumer Confidence Index													
FLORIDA	62	65	72	71	69	67	71	72	72	69	69	74	72
Men	61	63	73	73	69	67	74	74	76	70	69	77	71
Women	62	66	70	70	69	66	69	70	69	69	68	71	73
Under age 60	61	67	71	72	70	71	72	76	71	71	68	74	75
Aged 60 and over	62	62	72	70	69	63	70	68	73	67	70	74	67
Income under \$30,000	63	63	67	64	58	63	68	67	67	61	64	67	69
Income \$30,000 and over	61	65	74	75	74	71	73	76	74	74	71	78	74
Personal financial situation now compared to a year ago													
FLORIDA	41	42	44	41	46	43	44	42	44	49	45	53	54
Men	43	40	47	44	47	44	46	43	48	50	47	56	53
Women	39	43	42	38	45	43	41	42	41	49	43	49	54
Under age 60	40	40	44	41	45	45	44	43	39	48	45	53	56
Aged 60 and over	41	42	44	41	48	42	43	41	51	51	45	53	50
Income under \$30,000	35	34	36	31	29	34	39	35	30	34	32	39	37
Income \$30,000 and over	44	43	48	46	53	48	45	46	47	55	52	59	63
Personal financial situation expected one year from now													
FLORIDA	79	80	85	90	84	79	84	81	82	82	80	86	82
Men	77	79	86	88	84	75	84	90	82	80	80	88	85
Women	82	81	84	91	84	83	85	73	82	84	81	83	80
Under age 60	88	88	88	94	93	92	94	95	91	95	90	94	93
Aged 60 and over	70	73	82	84	74	66	72	66	71	70	72	77	68
Income under \$30,000	81	85	81	87	71	78	81	73	79	81	76	84	77
Income \$30,000 and over	81	80	88	93	90	82	88	88	83	85	84	91	88
Expected national economic conditions over the next year													
FLORIDA	49	60	69	72	66	63	72	74	71	65	67	72	67
Men	41	53	70	72	62	62	75	69	72	65	65	73	64
Women	56	66	68	72	69	64	70	78	69	64	70	72	69
Under age 60	48	61	65	72	66	69	72	75	68	67	66	71	70
Aged 60 and over	49	58	73	71	66	58	74	72	74	63	70	74	62
Income under \$30,000	60	66	68	74	53	62	70	78	72	61	72	69	71
Income \$30,000 and over	44	57	70	74	71	67	74	73	73	67	68	73	64
Expected national economic conditions over the next 5 years													
FLORIDA	67	79	82	80	81	72	81	84	80	72	74	79	75
Men	66	75	82	77	77	72	79	81	81	71	73	80	69
Women	68	82	83	81	84	73	82	86	80	72	76	78	80
Under age 60	64	82	78	79	81	72	79	86	78	71	69	77	77
Aged 60 and over	70	75	86	79	82	73	83	82	84	71	80	82	70
Income under \$30,000	77	79	85	73	73	70	89	84	81	63	72	74	81
Income \$30,000 and over	62	75	82	82	86	75	78	84	81	77	75	81	72
Is this a good time to buy major household items?													
FLORIDA	72	62	78	76	68	77	75	80	82	78	75	80	81
Men	79	69	82	84	75	84	86	89	94	83	81	88	82
Women	67	57	74	67	62	69	65	72	72	74	70	73	81
Under age 60	67	66	80	76	65	77	73	80	78	76	69	74	79
Aged 60 and over	78	59	75	73	74	77	79	82	87	76	83	88	84
Income under \$30,000	61	50	66	57	63	71	58	66	75	67	71	68	79
Income \$30,000 and over	76	67	84	80	72	81	82	89	87	84	78	86	84

*Revised. †Preliminary.

Feb-09 Mar-09 Apr-09 May-09 Jun-09 Jul-09 Aug-09 Sep-09 Oct-09 Nov-09 Dec-09 Jan-10 Feb-10

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	457	Race		Gender	
		% Non-white	16	% Male	50
Average age	58	% White	84	% Female	50
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	15	% Yes	7	% North	24
% \$20,000 to \$29,999	12	% No	93	% Central	14
% \$30,000 to \$49,999	23			% Southeast	25
% over \$50,000	50			% Southwest	37