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## **Confidence relative unchanged from last month**

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### *Consumer Confidence*

Consumer confidence among Floridians rose one point in March compared to February. The index now stands at 80. There was moderate shifting of values among the five components that make up the index. Both components measuring perceptions of personal finances rose, the component measuring current finances rose by four points and the one measuring personal finances in the future rose by three points. The component measuring expectations about the economy over the next year rose by two points. These gains were largely balanced by a fall in expectations about business conditions over the next five years, which fell four points, its lowest level since June 1996. Perceptions of whether it is a good time to buy big-ticket items fell a point, and is at its lowest level since November 1992.

“The overall index value is relatively unchanged since last month,” said Chris McCarty, the Survey Director. “At 80 the index is still somewhat low and could easily go lower in the coming months. It is encouraging that a higher percentage of consumers are optimistic about their personal finances. This was particularly true of lower income households, those making less than \$30,000 a year. However, the overall change of one point still indicates that consumers are uncertain about the economy and are not likely to raise their spending levels any time soon.”

Retail sales as measured by the Bureau of the Census fell in February by 1.6 percent and were hard hit by a very large decline in auto sales of 3.4 percent. Sales of building materials fell by 7.5 percent, more than likely affected by the harsh winter storms in February. Meanwhile the number of consumers filing for unemployment increased in March and is now reaching levels consistent with a double dip recession. While personal income growth remains strong, there are signs that it may weaken.

“The war in Iraq has certainly had some effect on consumer confidence and the economy in general,” said McCarty. “However, the problems we are facing now were here prior to the war. The US economy is

having a difficult time starting a turnaround from the recession during the first quarter of 2001. It is now two years since that recession and we have not made significant progress toward a recovery.”

### *Survey Method*

The consumer confidence index and its five component indexes are not percentages. The minimum value these indexes can take is 2 if all respondents answered pessimistically on all five questions, and 150 if all respondents answered optimistically on all five questions. The index is benchmarked to 1966, so that a value of 100 represents the same level of confidence for that year. The value of the index is in comparing changes over time rather than looking at an isolated month.

Consumer confidence is designed to measure the mood of consumers towards buying, and thus help to predict buying patterns. Although other economic indicators are also predictors of buying patterns, consumer confidence tends to be available sooner than these indicators. Consumer confidence is also designed to capture the effect of events that may affect buying patterns, but are not immediately reflected in other economic indicators.

The Florida Consumer Attitude Survey is conducted monthly by the UF Survey Research Center of the Bureau of Economic and Business Research at the University of Florida. This 70-station computerized lab surveys Floridians throughout the state through random-digit dialing. Responses are weighted to account for variable response rates across counties.

**FLORIDA ECONOMIC AND CONSUMER SURVEY**  
**March 24, 2003**  
**Bureau of Economic and Business Research**  
**University of Florida**

Mar-02 Apr-02 May-02 Jun-02 Jul-02 Aug-02 Sep-02 Oct-02 Nov-02 Dec-02 Jan-03 Feb-03\* Mar-03†

<b>Consumer Confidence Index</b>													
FLORIDA	102	95	93	94	90	88	90	82	90	86	83	79	80
Men	107	104	98	100	98	96	94	87	95	92	91	88	93
Women	97	86	88	89	84	81	85	78	85	79	76	73	69
Under age 60	105	98	96	97	93	91	92	85	91	88	86	81	80
Aged 60 and over	95	88	83	88	81	81	83	76	88	80	76	77	81
Income under \$30,000	96	86	78	93	83	82	78	77	80	79	75	73	72
Income \$30,000 and over	106	100	101	97	95	93	97	87	95	89	88	85	85

<b>Personal financial situation now compared to a year ago</b>													
FLORIDA	87	82	83	88	87	75	78	70	80	74	77	78	82
Men	86	94	83	92	94	80	83	72	89	75	81	84	92
Women	88	71	83	84	81	71	73	68	72	72	73	72	73
Under age 60	95	92	90	95	94	83	84	77	84	79	83	86	89
Aged 60 and over	62	61	64	73	66	55	58	51	65	60	63	58	67
Income under \$30,000	75	69	60	78	75	69	66	54	69	66	64	64	70
Income \$30,000 and over	96	91	96	99	94	81	89	79	86	78	86	90	89

<b>Personal financial situation expected one year from now</b>													
FLORIDA	108	103	102	106	103	102	108	101	99	98	97	95	98
Men	113	106	105	108	105	106	108	103	103	103	101	97	101
Women	103	100	99	104	101	98	108	99	96	93	93	94	94
Under age 60	117	111	111	115	111	110	116	108	103	107	105	102	104
Aged 60 and over	82	83	77	83	81	80	81	81	82	79	76	76	85
Income under \$30,000	108	96	96	107	100	98	105	98	94	91	91	94	99
Income \$30,000 and over	110	110	108	109	108	106	114	104	104	105	104	98	99

<b>Expected national economic conditions over the next year</b>													
FLORIDA	102	98	96	84	76	76	84	68	81	75	67	59	61
Men	111	108	100	90	85	88	87	75	83	83	79	66	78
Women	95	89	92	78	69	66	81	62	79	66	58	53	47
Under age 60	102	98	96	83	77	75	85	68	80	74	70	57	56
Aged 60 and over	107	98	94	87	75	82	82	71	84	78	60	66	75
Income under \$30,000	104	97	83	91	72	73	73	69	69	75	60	56	48
Income \$30,000 and over	103	97	100	83	80	79	92	70	83	76	70	63	66

<b>Expected national economic conditions over the next 5 years</b>													
FLORIDA	98	87	81	85	82	84	80	75	85	77	73	74	70
Men	111	97	93	98	94	102	90	82	93	91	83	88	88
Women	86	77	71	74	72	69	70	68	79	63	66	62	54
Under age 60	97	86	80	85	83	83	79	73	82	79	74	73	66
Aged 60 and over	104	91	85	88	78	87	83	81	99	76	72	79	81
Income under \$30,000	85	74	62	81	78	75	61	68	69	66	69	62	58
Income \$30,000 and over	106	92	91	86	86	92	87	81	92	83	74	80	75

<b>Is this a good time to buy major household items?</b>													
FLORIDA	115	103	102	108	101	101	99	98	105	103	100	92	91
Men	117	115	108	110	109	103	103	104	110	105	112	103	105
Women	113	91	97	107	95	100	95	92	101	102	92	82	78
Under age 60	114	100	104	108	100	103	96	98	104	101	97	87	88
Aged 60 and over	118	107	96	110	103	98	109	96	107	110	111	107	98
Income under \$30,000	109	95	87	109	91	94	87	95	96	98	89	89	87
Income \$30,000 and over	117	107	111	112	108	105	104	99	110	102	109	95	95

\*Revised. †Preliminary.

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

Sample Size	418	Race		Gender	
		% Non-white	20	% Male	47
Average age	49	% White	80	% Female	53
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	19	% Yes	16	% North	26
% \$20,000 to \$29,999	15	% No	84	% Central	19
% \$30,000 to \$49,999	28			% Southeast	22
% over \$50,000	38			% Southwest	33