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Consumer Confidence

Consumer confidence among Floridians remained flat in April at 86, the same result as March. This is down six points from the index level in February. There were no large changes in the five components that make up the index, indicating virtually the same mood among consumers as March. Perceptions of personal finances now compared to a year ago rose one point to 81 and expectations about personal finances a year from now rose two points to 92. Perceptions of economic conditions over the next year rose one point to 79. Perceptions of personal finances five years from now fell two points to 79 and perceptions of whether it is a good time to buy big ticket items fell one point to 98.

“Florida’s consumers are in a holding pattern regarding the economy and how it affects them,” said Chris McCarty, the Survey Director. “Gas prices in Florida have risen over 20 cents a gallon this month, coming on the heels of steep increases between February and March. Over the past two years these increases have typically led to a fall in confidence. Adding to that the growing problems with housing sales and falling house prices in Florida, consumers have plenty of reason to be pessimistic. On the positive side, the stock market has been very strong in April, a boon to optimism among middle and upper income households. In balance, consumer confidence remained the same as last month.”

The economic indicators used to gauge the direction of the economy remain mixed. There is still no clear indication that the decline in home sales and construction has significantly affected other areas of the economy nationally or here in Florida. Employment and income growth remains strong and is so far balancing the effects of the downturn in housing. So far there have been no major downturns in retail sales, although when gasoline sales are excluded, growth is relatively anemic. Most economists do not expect a recession as a result in the housing downturn, although increasing numbers see far more negative consequences than was the case in the fourth quarter of 2006 when many declared the worst was behind us.

“We still believe that the effects of the downturn in housing here in Florida are far from over,” said McCarty. “We have been expecting a very large effect on consumers for over a year now. It just took a lot longer than anyone expected. Our prediction is still that the stalled housing market and the effect it has on home equity will have far-reaching effects that will extend to the retail sector. Ultimately, much of the vast inventory of homes and condominiums will be sold, but not until prices decline a bit further in some markets. There is a part to the housing story that remain unaddressed. When housing does pick up again, how will potential buyers decide who is a trustworthy broker and who is not? While Congress is busy legislating controls, there has been little or no attention paid to the plight of the potential buyer who has lost confidence in what was always considered a very trustworthy system.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†

April 24, 2007

Bureau of Economic and Business Research University of Florida

Apr-06 May-06 Jun-06 Jul-06 Aug-06 Sep-06 Oct-06 Nov-06 Dec-06 Jan-07 Feb-07 Mar-07* Apr-07†

Consumer Confidence Index

FLORIDA	86	86	88	87	77	83	90	93	90	89	92	86	86
Men	94	93	91	92	84	90	98	96	95	95	97	90	94
Women	82	81	86	84	72	78	84	91	87	84	87	83	78
Under age 60	91	87	93	90	79	86	94	96	92	91	97	91	90
Aged 60 and over	81	83	82	79	73	80	82	88	87	87	84	79	80
Income under \$30,000	75	67	70	74	62	72	81	83	77	82	81	70	66
Income \$30,000 and over	93	92	95	91	83	89	95	98	98	93	95	92	94

Personal financial situation now compared to a year ago

FLORIDA	84	88	87	80	74	76	82	84	84	80	84	80	81
Men	91	95	92	87	76	78	95	93	88	87	90	83	91
Women	80	84	83	76	72	75	74	78	81	73	79	78	72
Under age 60	94	97	93	87	79	81	90	92	86	81	94	89	87
Aged 60 and over	67	72	78	65	62	66	69	70	78	78	69	67	73
Income under \$30,000	65	51	61	47	52	53	59	57	62	62	58	48	57
Income \$30,000 and over	94	102	96	91	81	85	91	96	94	88	94	91	93

Personal financial situation expected one year from now

FLORIDA	92	92	94	98	91	89	97	101	96	92	94	90	92
Men	95	99	92	103	98	90	105	104	95	103	97	92	97
Women	90	88	95	95	86	87	91	97	97	83	92	89	88
Under age 60	107	99	106	107	100	101	109	111	105	108	109	101	105
Aged 60 and over	68	77	72	76	71	69	74	82	81	71	74	73	75
Income under \$30,000	82	74	77	82	77	83	88	84	89	86	86	79	77
Income \$30,000 and over	101	99	102	104	98	93	102	107	101	97	99	93	97

Expected national economic conditions over the next year

FLORIDA	76	73	77	76	62	73	83	88	84	83	85	78	79
Men	88	85	87	78	68	86	96	93	89	86	92	86	87
Women	68	66	69	74	57	64	75	85	81	80	78	71	71
Under age 60	74	70	80	76	60	72	84	86	85	77	87	80	76
Aged 60 and over	80	81	76	73	64	78	83	93	84	91	82	75	82
Income under \$30,000	71	61	61	74	49	63	73	76	69	78	79	68	57
Income \$30,000 and over	79	78	85	75	65	79	90	91	92	85	86	83	88

Expected national economic conditions over the next 5 years

FLORIDA	78	75	86	82	73	77	85	93	85	83	87	81	79
Men	91	80	89	89	85	88	92	92	95	88	95	86	88
Women	70	72	83	77	65	70	81	94	77	79	80	77	71
Under age 60	79	73	86	82	71	76	86	94	87	85	87	81	84
Aged 60 and over	80	79	85	81	79	84	84	91	82	82	86	82	71
Income under \$30,000	68	61	65	76	60	70	87	94	70	83	77	64	57
Income \$30,000 and over	86	80	90	83	76	84	87	92	94	84	88	89	86

Is this a good time to buy major household items?

FLORIDA	102	100	98	100	87	100	101	101	103	106	109	99	98
Men	104	108	97	105	93	108	103	100	110	110	111	100	106
Women	101	95	100	96	82	94	100	101	97	104	108	98	90
Under age 60	101	97	98	100	84	100	102	98	99	102	110	101	98
Aged 60 and over	107	106	99	98	92	102	99	105	109	114	108	97	98
Income under \$30,000	91	87	88	89	74	90	98	104	94	101	106	89	82
Income \$30,000 and over	107	103	102	103	92	108	102	103	107	108	108	101	106

*Revised. †Preliminary.

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	416	Race		Gender	
		% Non-white	15	% Male	46
Average age	54	% White	85	% Female	54
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	12	% Yes	11	% North	25
% \$20,000 to \$29,999	14	% No	89	% Central	17
% \$30,000 to \$49,999	23			% Southeast	26
% over \$50,000	51			% Southwest	31