

From:
UF Survey Research Center
Bureau of Economic and Business Research
Warrington College of Business Administration
University of Florida
P. O. Box 117145, Gainesville, Florida 32611-7145

Contact:
Chris McCarty, Survey Director
Office: (352) 392-2908 ext. 100

Consumer Confidence

Consumer confidence rose to 83 in June, up one point from 82 in May. The small increase was due to increased optimism over future economic conditions in the US. Perceptions of personal finances now compared to a year ago remained the same at 79 while expectations about finances one year from now fell two points to 89. Expectations about US economic conditions over the next year rose two points to 76 and while expectations of US economic conditions over the next five years rose six points to 84. Perceptions of whether it is a good time to buy big ticket items fell five points to 86. All five of the index components are lower than at this time a year ago, and the overall index is down five points from a year ago.

“Although confidence increase slightly in June it was well within the margin of error for the survey,” said Chris McCarty, the Survey Director. “Consumer confidence doesn’t differ much from the previous month’s reading. Interestingly, confidence among low income households, those making less than \$30,000 a year, has held exactly at 70 every month since March. The movement in confidence is entirely due to changes in the attitudes of middle and higher income households.”

Gas prices in Florida, a key driver of consumer confidence for the past two years, have decreased over fourteen cents through the month of June, primarily due to unexpected increases in imports and an increase in inventory. Gas prices are still thirteen cents higher than the same time a year ago and are expected to increase again in July as holiday travel picks up. Although lower income households have now fully incorporated higher gas prices into their consumer confidence, there may be some downward pressure on middle and upper income households if prices rise too much. Retail sales nationally posted an unexpected increase in May, largely due to gasoline sales. However there were some increases in certain segments that had been experiencing difficulty, such as building supplies.

“Moving forward we still expect consumer confidence in Florida to decline as the effects of the housing downturn intensify,” said McCarty. “The most recent housing data show that nationally, and particularly here in Florida, the prices of existing homes have not fallen to a level to attract enough buyers to work through the massive inventory. As prices fall this will affect consumers who count on rising home values to support spending through home equity lines of credit and refinancing. This is still the big question moving forward into the summer – will the effects of housing spill over into other parts of the economy, or will it be contained to the housing sector? Our opinion is that the effects, at least here in Florida, will be far-reaching.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
June 22, 2007
Bureau of Economic and Business Research
University of Florida

Jun-06 Jul-06 Aug-06 Sep-06 Oct-06 Nov-06 Dec-05 Jan-07 Feb-07 Mar-07 Apr-06 May-07 Jun-07

Consumer Confidence Index

FLORIDA	88	87	77	83	90	93	90	89	92	86	85	82	83
Men	91	92	84	90	98	96	95	95	97	90	94	90	88
Women	86	84	72	78	84	91	87	84	87	83	78	76	79
Under age 60	93	90	79	86	94	96	92	91	97	91	89	85	88
Aged 60 and over	82	79	73	80	82	88	87	87	84	79	80	80	77
Income under \$30,000	70	74	62	72	81	83	77	82	81	70	70	70	70
Income \$30,000 and over	95	91	83	89	95	98	98	93	95	92	93	88	89

Personal financial situation now compared to a year ago

FLORIDA	87	80	74	76	82	84	84	80	84	80	83	79	79
Men	92	87	76	78	95	93	88	87	90	83	93	80	84
Women	83	76	72	75	74	78	81	73	79	78	74	77	75
Under age 60	93	87	79	81	90	92	86	81	94	89	89	83	87
Aged 60 and over	78	65	62	66	69	70	78	78	69	67	75	72	67
Income under \$30,000	61	47	52	53	59	57	62	62	58	48	60	53	46
Income \$30,000 and over	96	91	81	85	91	96	94	88	94	91	94	89	89

Personal financial situation expected one year from now

FLORIDA	94	98	91	89	97	101	96	92	94	90	93	91	89
Men	92	103	98	90	105	104	95	103	97	92	98	98	93
Women	95	95	86	87	91	97	97	83	92	89	88	85	86
Under age 60	106	107	100	101	109	111	105	108	109	101	106	100	99
Aged 60 and over	72	76	71	69	74	82	81	71	74	73	73	78	74
Income under \$30,000	77	82	77	83	88	84	89	86	86	79	80	83	78
Income \$30,000 and over	102	104	98	93	102	107	101	97	99	93	97	96	97

Expected national economic conditions over the next year

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

Expected national economic conditions over the next 5 years

FLORIDA	86	82	73	77	85	93	85	83	87	81	79	78	84
Men	89	89	85	88	92	92	95	88	95	86	89	90	89
Women	83	77	65	70	81	94	77	79	80	77	71	69	80
Under age 60	86	82	71	76	86	94	87	85	87	81	83	78	85
Aged 60 and over	85	81	79	84	84	91	82	82	86	82	74	80	84
Income under \$30,000	65	76	60	70	87	94	70	83	77	64	62	69	76
Income \$30,000 and over	90	83	76	84	87	92	94	84	88	89	85	82	87

Is this a good time to buy major household items?

FLORIDA	98	100	87	100	101	101	103	106	109	99	97	91	86
Men	97	105	93	108	103	100	110	110	111	100	107	98	95
Women	100	96	82	94	100	101	97	104	108	98	87	85	80
Under age 60	98	100	84	100	102	98	99	102	110	101	96	86	89
Aged 60 and over	99	98	92	102	99	105	109	114	108	97	98	97	86
Income under \$30,000	88	89	74	90	98	104	94	101	106	89	86	82	81
Income \$30,000 and over	102	103	92	108	102	103	107	108	108	101	103	93	92

*Revised. †Preliminary.

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	400	Race		Gender	
		% Non-white	20	% Male	46
Average age	54	% White	80	% Female	54
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	13	% Yes	10	% North	24
% \$20,000 to \$29,999	09	% No	90	% Central	17
% \$30,000 to \$49,999	24			% Southeast	25
% over \$50,000	54			% Southwest	34