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Consumer Confidence

Consumer confidence declined in July to 81, down one point from 82 in June. The small decline was fueled by declines in three of the five components that make up the index. Perceptions of personal finances now compared to a year ago fell six points to 72, the lowest since October, 2002. In contrast, perceptions of personal finances one year from now rose one point to 89. Perceptions of U.S. economic conditions over the next year fell two points to 73, and perceptions of U.S. economic conditions over the next five years fell three points to 79. Perceptions of whether it is a good time to buy big-ticket items rose five points to 92.

“Consumer confidence among Floridians seems to be in a holding pattern for the past few months,” said Chris McCarty, the Survey Director. “Although the overall index level is virtually flat, there are some signals from the make-up of the index. The reading for perceptions of personal finances has not been this low since October, 2002, when the stock market experienced a temporary crash and the Dow Jones Industrial Average lost 27% of its value. Although there have been some recent declines in the stock market, over the month of July the stock market experienced record levels. Something else is bothering consumers.”

Retail sales nationally were weak in June, but they appear to be far worse in Florida according to data from the Florida Department of Revenue. Similarly, the consumer confidence index nationally as measured by the University of Michigan is at a five month high in July to 90, while Florida’s index is down to 81. Typically Florida tracks the national consumer confidence very closely. It is becoming increasingly clear that Florida’s economy is moving in a different direction than most of the country.

“We have been saying for quite some time that Florida’s economy is in a vulnerable position due to the effects of the declining housing market,” said McCarty. “We attribute a large part of the decline in consumer confidence in July to the very weak housing market in the first and second quarter of 2007. It is likely that as the rest of the year unfolds, the effects of the decline in housing will become even more pronounced. This will come in the form of lower retail sales due to declines in home equity, and continued stagnation in home sales as inventory builds. Ultimately this affects Florida state revenues as the largest portion of the General Revenue Fund is financed from taxable sales. Our expectation is that consumer confidence in Florida will decline a bit further and will remain low for the remainder of 2008.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
July 31, 2007
Bureau of Economic and Business Research
University of Florida

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

Consumer Confidence Index

FLORIDA	87	77	83	90	93	90	89	92	86	85	81	82	81
Men	92	84	90	98	96	95	95	97	90	94	88	89	81
Women	84	72	78	84	91	87	84	87	83	78	76	77	81
Under age 60	90	79	86	94	96	92	91	97	91	89	83	86	83
Aged 60 and over	79	73	80	82	88	87	87	84	79	80	79	77	77
Income under \$30,000	74	62	72	81	83	77	82	81	70	70	68	70	67
Income \$30,000 and over	91	83	89	95	98	98	93	95	92	93	87	89	88

Personal financial situation now compared to a year ago

FLORIDA	80	74	76	82	84	84	80	84	80	83	77	78	72
Men	87	76	78	95	93	88	87	90	83	93	79	86	69
Women	76	72	75	74	78	81	73	79	78	74	76	72	74
Under age 60	87	79	81	90	92	86	81	94	89	89	83	86	78
Aged 60 and over	65	62	66	69	70	78	78	69	67	75	69	66	62
Income under \$30,000	47	52	53	59	57	62	62	58	48	60	50	51	47
Income \$30,000 and over	91	81	85	91	96	94	88	94	91	94	89	88	83

Personal financial situation expected one year from now

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

Expected national economic conditions over the next year

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

Expected national economic conditions over the next 5 years

FLORIDA	82	73	77	85	93	85	83	87	81	79	76	82	79
Men	89	85	88	92	92	95	88	95	86	89	88	88	81
Women	77	65	70	81	94	77	79	80	77	71	67	79	77
Under age 60	82	71	76	86	94	87	85	87	81	83	76	82	77
Aged 60 and over	81	79	84	84	91	82	82	86	82	74	78	84	83
Income under \$30,000	76	60	70	87	94	70	83	77	64	62	66	75	65
Income \$30,000 and over	83	76	84	87	92	94	84	88	89	85	80	86	87

Is this a good time to buy major household items?

FLORIDA	100	87	100	101	101	103	106	109	99	97	90	87	92
Men	105	93	108	103	100	110	110	111	100	107	94	97	97
Women	96	82	94	100	101	97	104	108	98	87	87	76	88
Under age 60	100	84	100	102	98	99	102	110	101	96	85	90	90
Aged 60 and over	98	92	102	99	105	109	114	108	97	98	98	85	94
Income under \$30,000	89	74	90	98	104	94	101	106	89	86	81	79	80
Income \$30,000 and over	103	92	108	102	103	107	108	108	101	103	92	94	96

*Revised. †Preliminary.

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	421	Race		Gender	
		% Non-white	23	% Male	43
Average age	53	% White	77	% Female	57
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	17	% Yes	12	% North	24
% \$20,000 to \$29,999	12	% No	88	% Central	18
% \$30,000 to \$49,999	25			% Southeast	32
% over \$50,000	46			% Southwest	26