

**FLORIDA CONSUMER CONFIDENCE INDEX**  
**August 26, 2008**  
**FOR IMMEDIATE RELEASE**



From:  
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*Consumer Confidence*

Consumer confidence made huge gains in August, up six points to 67 from the reading in July. Four of the five components rose while one remained unchanged. Perceptions of personal finances now compared to a year ago rose five points to 51, while perceptions of personal finances a year from now rose three points to 83. The largest gains were in the question concerning expectations about U.S. economic conditions. Expectations about U.S. economic conditions over the next year rose 12 points to 63. That component had been holding steady at 51 for the prior three months. Expectations about U.S. economic conditions over the next five years rose ten points to 78. Perceptions as to whether it is a good time to buy big ticket items remained unchanged at 59.

“It looks like June will be the low point for consumer confidence,” said Chris McCarty, the Survey Director. “Consumers in Florida have now absorbed most of the bad economic news. Although gas prices are coming down a bit, consumers have now adjusted to higher prices. Much of the pain from the housing downturn has also been absorbed. At this point most people are looking forward to a turnaround in the economy, some time next year. We will no doubt have a very weak holiday season, but many people are looking past that to better times.”

There are some signs of the beginning of housing price stability here in Florida. While prices in Florida markets are still declining, the pace of the declines has slowed. Overall the median price of a home in Florida (excluding condos) is beginning to flatten. Retrospective data should show July to be the bottom in existing home prices for most Florida markets. Housing price stabilization will ultimately lead to stability in the financial markets.

Retail sales have declined with consumer confidence. Florida’s sales tax revenues have continually declined, time and again falling under levels forecast by state economists. There are significant changes in the retail sector in Florida and elsewhere, as some department stores struggle against competition from their low-cost competitors. Further changes are likely as the demographic profile of Florida changes to a higher proportion of senior baby-boomers who will migrate to Florida over the next ten years.

“In the short run I expect consumer confidence to be volatile, reacting to gasoline prices and the stock market,” said McCarty. “I don’t think we will see another low like June any time soon, but I also don’t believe the economic correction is completely over, and that consumer confidence is on a trend upward. Confidence over the next few months will probably remain below 70, but will not fall below 60 or even near it.”

# FLORIDA ECONOMIC AND CONSUMER SURVEY†

August 26, 2008

Bureau of Economic and Business Research

University of Florida

	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-07	Jul-08	Aug-08
<b>Consumer Confidence Index</b>													
FLORIDA	78	77	79	76	74	70	73	70	66	63	59	61	67
Men	83	76	85	80	79	75	79	74	67	70	61	65	73
Women	75	76	75	74	70	66	68	66	65	59	57	58	63
Under age 60	81	81	79	77	75	72	73	69	67	64	58	61	65
Aged 60 and over	76	73	79	76	72	68	74	70	64	63	60	60	70
Income under \$30,000	67	66	73	69	64	58	66	62	60	58	56	52	68
Income \$30,000 and over	84	81	80	80	77	74	76	74	67	66	59	62	66
<b>Personal financial situation now compared to a year ago</b>													
FLORIDA	72	71	69	70	64	65	65	64	59	55	51	46	51
Men	79	75	76	73	69	75	71	69	61	68	53	53	58
Women	67	75	64	68	61	56	59	59	58	47	50	41	46
Under age 60	78	72	70	73	67	67	66	67	63	56	56	52	53
Aged 60 and over	65	70	69	68	58	62	64	59	54	56	46	38	48
Income under \$30,000	49	45	54	59	41	42	50	47	40	43	35	34	39
Income \$30,000 and over	83	80	74	74	70	73	71	71	64	61	55	51	53
<b>Personal financial situation expected one year from now</b>													
FLORIDA	88	86	90	86	87	82	84	88	79	77	73	80	83
Men	92	83	96	89	89	83	89	90	80	82	72	84	81
Women	85	83	86	84	85	82	80	87	78	73	73	77	84
Under age 60	99	97	100	93	96	92	91	98	89	84	84	85	86
Aged 60 and over	73	71	75	78	75	70	76	73	65	65	57	68	78
Income under \$30,000	83	74	83	72	77	77	75	72	56	70	68	67	81
Income \$30,000 and over	93	90	93	94	91	89	89	94	85	78	74	81	84
<b>Expected national economic conditions over the next year</b>													
FLORIDA	70	69	73	62	65	55	65	58	52	51	51	51	63
Men	75	66	76	63	72	56	72	60	55	54	54	51	70
Women	66	66	71	61	60	54	59	56	50	48	48	51	59
Under age 60	67	71	71	59	62	56	64	50	49	49	47	48	58
Aged 60 and over	76	69	77	65	68	54	66	67	55	53	55	55	72
Income under \$30,000	63	69	71	58	66	52	66	54	48	50	58	46	72
Income \$30,000 and over	71	68	73	64	66	56	64	60	51	52	48	50	59
<b>Expected national economic conditions over the next 5 years</b>													
FLORIDA	77	80	78	79	79	74	83	76	72	70	69	68	78
Men	79	78	82	85	83	79	86	82	71	75	73	72	88
Women	76	78	75	75	77	71	80	71	73	66	66	66	72
Under age 60	75	82	72	76	78	72	81	71	69	69	64	65	75
Aged 60 and over	81	78	87	83	81	79	86	83	76	71	76	73	85
Income under \$30,000	72	75	75	70	66	58	77	70	46	69	78	58	83
Income \$30,000 and over	79	81	77	83	84	78	84	80	71	72	67	70	75
<b>Is this a good time to buy major household items?</b>													
FLORIDA	85	81	84	84	75	74	69	64	67	64	50	59	59
Men	91	80	93	89	82	81	75	71	69	71	51	66	67
Women	80	80	78	81	70	68	64	58	66	59	50	55	53
Under age 60	85	83	80	82	73	72	62	60	65	60	41	55	53
Aged 60 and over	86	78	90	88	76	77	75	70	68	71	65	66	66
Income under \$30,000	68	68	81	84	71	63	64	68	56	60	42	54	65
Income \$30,000 and over	92	85	84	88	75	75	70	66	64	64	50	58	56

\*Revised. †Preliminary.

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

<b>Sample Size</b>	405	<b>Race</b>		<b>Gender</b>	
		% Non-white	17	% Male	40
<b>Average age</b>	55	% White	83	% Female	60
<b>Income Characteristics</b>		<b>Hispanic Origin</b>		<b>Region</b>	
% less than \$20,000	16	% Yes	11	% North	26
% \$20,000 to \$29,999	12	% No	89	% Central	18
% \$30,000 to \$49,999	21			% Southeast	28
% over \$50,000	51			% Southwest	28