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**Consumer confidence among Floridians remained steady in September**

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*Consumer Confidence*

Consumer confidence among Floridians remained steady in September, unchanged from the previous month's index of 90. Although the overall index remained the same, there were changes in four of the five components that make up the index. Perceptions of personal finances now compared to a year ago rose by two points to 84, while expectations about personal finances a year from now rose three points to 103. Perceptions of economic conditions over the next year remained unchanged at 83 while perceptions of economic conditions over the next five years rose one point to 83. The biggest change was in perceptions as to whether it is a good time to buy big ticket consumer items which fell sharply in September. That component lost seven points falling from 106 in August to 99 in September.

“Although the overall index remained the same and is consistent with other economic indicators, the sharp fall in perceptions of buying conditions is alarming,” said Chris McCarty, the Survey Director. “Many aspects of the market have not changed for consumers for many months. Interest rates remain quite low and inflation is almost non-existent. Retailers are still offering competitive prices on items from cars to furniture and electronics to lure consumers. Our interpretation of this is that consumers are cautious about taking on more debt given the uncertainty of the economy over the next year as reflected in that component.”

Some of the explanation may be in the record amount of consumer debt and the reluctance of consumers to take on more. Rising mortgage interest rates have dramatically slowed refinancing activities, effectively cutting off a major source of financing for large purchases. Combined with growing concern over the potential for job losses, consumers may slow their rate of spending in the coming months. This can already be seen in a gradual slowing of growth in retail sales and recent decreases in chain store sales.

“Overall the combination of the trends in consumer confidence and other economic indicators suggest mediocre holiday sales at best,” said McCarty. “Holiday sales last year were weak for retailers as the economy

was just beginning to form a recovery from the recession of 2001. While there have been some gains since then, the net loss of 3 million jobs, record debt, the slowing of refinancing activity and lack of pent up demand suggest another weak holiday season for retailers.”

### ***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**  
**September 26, 2003**  
**Bureau of Economic and Business Research**  
**University of Florida**

	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03*	Sep-03†
<b>Consumer Confidence Index</b>													
FLORIDA	90	82	90	86	83	79	81	88	91	93	92	90	90
Men	94	87	95	92	91	88	93	96	96	100	96	100	96
Women	85	78	85	79	76	73	71	83	87	87	88	83	86
Under age 60	92	85	91	88	86	81	82	91	92	94	94	93	93
Aged 60 and over	83	76	88	80	76	77	80	81	90	89	86	84	84
Income under \$30,000	78	77	80	79	75	73	75	80	81	82	82	75	78
Income \$30,000 and over	97	87	95	89	88	85	86	93	96	100	97	100	96
<b>Personal financial situation now compared to a year ago</b>													
FLORIDA	78	70	80	74	77	78	83	77	85	83	81	82	84
Men	83	72	89	75	81	84	92	79	90	90	81	90	81
Women	73	68	72	72	73	72	76	76	80	77	80	75	87
Under age 60	84	77	84	79	83	86	90	86	91	90	86	88	91
Aged 60 and over	58	51	65	60	63	58	68	52	71	62	68	65	65
Income under \$30,000	66	54	69	66	64	64	76	67	72	70	70	58	73
Income \$30,000 and over	89	79	86	78	86	90	90	85	95	92	87	95	89
<b>Personal financial situation expected one year from now</b>													
FLORIDA	108	101	99	98	97	95	98	99	99	102	105	100	103
Men	108	103	103	103	101	97	104	103	106	103	106	104	108
Women	108	99	96	93	93	94	93	96	93	100	103	96	100
Under age 60	116	108	103	107	105	102	105	107	106	108	110	106	111
Aged 60 and over	81	81	82	79	76	76	84	80	81	80	89	82	80
Income under \$30,000	105	98	94	91	91	94	101	92	88	89	98	86	93
Income \$30,000 and over	114	104	104	105	104	98	100	103	107	109	110	109	111
<b>Expected national economic conditions over the next year</b>													
FLORIDA	84	68	81	75	67	59	62	81	85	89	88	83	83
Men	87	75	83	83	79	66	78	90	90	97	94	97	91
Women	81	62	79	66	58	53	49	75	81	82	84	72	77
Under age 60	85	68	80	74	70	57	58	81	82	87	92	83	83
Aged 60 and over	82	71	84	78	60	66	74	82	95	95	78	85	84
Income under \$30,000	73	69	69	75	60	56	49	79	72	80	82	74	70
Income \$30,000 and over	92	70	83	76	70	63	68	81	88	95	92	89	88
<b>Expected national economic conditions over the next 5 years</b>													
FLORIDA	80	75	85	77	73	74	73	86	88	84	79	82	83
Men	90	82	93	91	83	88	90	97	95	96	87	99	100
Women	70	68	79	63	66	62	59	78	83	75	71	69	71
Under age 60	79	73	82	79	74	73	71	85	83	82	77	82	82
Aged 60 and over	83	81	99	76	72	79	79	88	105	93	85	83	84
Income under \$30,000	61	68	69	66	69	62	65	77	74	70	64	66	72
Income \$30,000 and over	87	81	92	83	74	80	76	91	93	93	86	93	88
<b>Is this a good time to buy major household items?</b>													
FLORIDA	99	98	105	103	100	92	90	97	100	106	106	106	99
Men	103	104	110	105	112	103	104	108	100	112	110	110	101
Women	95	92	101	102	92	82	78	88	99	102	103	102	97
Under age 60	96	98	104	101	97	87	88	95	100	104	106	106	97
Aged 60 and over	109	96	107	110	111	107	93	102	99	117	107	106	105
Income under \$30,000	87	95	96	98	89	89	85	83	98	103	98	91	81
Income \$30,000 and over	104	99	110	102	109	95	95	104	100	111	110	114	106

\*Revised. †Preliminary.

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

Sample Size	425	Race		Gender	
		% Non-white	26	% Male	42
Average age	47	% White	74	% Female	58
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	18	% Yes	16	% North	22
% \$20,000 to \$29,999	16	% No	84	% Central	17
% \$30,000 to \$49,999	30			% Southeast	26
% over \$50,000	36			% Southwest	35