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Consumer Confidence

Consumer confidence among Floridians rose three points in October to 80. The September consumer confidence index was revised downward to 77 after all completed surveys were included in the index. The rise in confidence in October was in three of the five index components. Perceptions of personal finances now compared to a year ago fell a point to 70 while expectations of personal finances a year from now rose four points to 90. Perceptions of U.S. economic conditions over the next year rose six points to 75 while expectations of U.S. economic conditions over the next five years fell two points to 78. Perceptions of whether it is a good time to buy big-ticket items rose four points to 85.

“Consumer confidence in Florida is now very close to the national number of 80.9 as measured by the University of Michigan,” said Chris McCarty, the Survey Director. “The index for Florida had been lower than the nation. With this increase we are almost the same. The source of the rise in Florida appears to be low-income households (those living off of less than \$30,000 annually). Confidence among that group had been quite low at 66, but rose in October to 75. Middle and upper income households remained the same at 81. The rise in confidence among low income households seems appears to be driven by improved personal finances now compared to a year ago and expectations about improvement over the next year. There was a very large increase in perceptions among low income households that it is a good time to buy big ticket items. That component rose 18 points to 86 among low income households.”

The housing debacle has hit Florida hard compared to the nation as a whole. Florida is among five areas of the country (including California, Arizona, Nevada and parts of Washington, DC) that have experienced very large declines in sales and housing prices. This has led to an unprecedented drop in tax revenue from documentary stamp taxes in Florida, and a large decline in sales tax revenue. This comes at a time when the Florida Legislature and the Governor are trying to provide relief in the form of property tax cuts.

“It is notable that confidence among low-income respondents has been very low, 66 as of last month,” said McCarty. “Respondents may have already factored in the ill effects of housing and are anticipating improvement. They may also be looking toward property tax reform from the Florida Legislature as a source of relief. Although gas prices declined briefly in October, they are up again and all signs are that they will increase. Next month’s consumer confidence will be telling. At that time gas prices will very likely go up as oil prices on the international market rise. This comes as the holiday shopping season approaches. Retailers will very likely slash prices early to get otherwise hesitant consumers in the door.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†

October 31, 2007

Bureau of Economic and Business Research

University of Florida

	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07
Consumer Confidence Index													
FLORIDA	90	93	90	89	92	86	85	81	82	81	78	77	80
Men	98	96	95	95	97	90	94	88	89	82	83	76	87
Women	84	91	87	84	87	83	78	76	77	81	75	76	74
Under age 60	94	96	92	91	97	91	89	83	86	83	81	81	79
Aged 60 and over	82	88	87	87	84	79	80	79	77	77	76	73	80
Income under \$30,000	81	83	77	82	81	70	70	68	70	67	67	66	75
Income \$30,000 and over	95	98	98	93	95	92	93	87	89	88	84	81	81
Personal financial situation now compared to a year ago													
FLORIDA	82	84	84	80	84	80	83	77	78	73	72	71	70
Men	95	93	88	87	90	83	93	79	86	71	79	75	79
Women	74	78	81	73	79	78	74	76	72	75	67	75	64
Under age 60	90	92	86	81	94	89	89	83	86	78	78	72	73
Aged 60 and over	69	70	78	78	69	67	75	69	66	64	65	70	68
Income under \$30,000	59	57	62	62	58	48	60	50	51	48	49	45	57
Income \$30,000 and over	91	96	94	88	94	91	94	89	88	83	83	80	73
Personal financial situation expected one year from now													
FLORIDA	97	101	96	92	94	90	93	89	88	89	88	86	90
Men	105	104	95	103	97	92	98	95	94	86	92	83	97
Women	91	97	97	83	92	89	88	84	83	91	85	83	85
Under age 60	109	111	105	108	109	101	106	98	98	99	99	97	100
Aged 60 and over	74	82	81	71	74	73	73	77	72	71	73	71	75
Income under \$30,000	88	84	89	86	86	79	80	80	76	81	83	74	81
Income \$30,000 and over	102	107	101	97	99	93	97	95	97	95	93	90	94
Expected national economic conditions over the next year													
FLORIDA	83	88	84	83	85	78	76	74	75	73	70	69	75
Men	96	93	89	86	92	86	85	86	80	72	75	66	81
Women	75	85	81	80	78	71	68	65	71	73	66	66	71
Under age 60	84	86	85	77	87	80	73	75	75	71	67	71	73
Aged 60 and over	83	93	84	91	82	75	79	74	75	74	76	69	78
Income under \$30,000	73	76	69	78	79	68	61	62	69	60	63	69	75
Income \$30,000 and over	90	91	92	85	86	83	83	79	78	77	71	68	74
Expected national economic conditions over the next 5 years													
FLORIDA	85	93	85	83	87	81	79	76	82	80	77	80	78
Men	92	92	95	88	95	86	89	88	88	83	79	78	85
Women	81	94	77	79	80	77	71	67	79	78	76	78	72
Under age 60	86	94	87	85	87	81	83	76	82	78	75	82	71
Aged 60 and over	84	91	82	82	86	82	74	78	84	83	81	78	89
Income under \$30,000	87	94	70	83	77	64	62	66	75	65	72	75	76
Income \$30,000 and over	87	92	94	84	88	89	85	80	86	88	79	81	77
Is this a good time to buy major household items?													
FLORIDA	101	101	103	106	109	99	97	90	87	91	85	81	85
Men	103	100	110	110	111	100	107	94	97	96	91	80	96
Women	100	101	97	104	108	98	87	87	76	88	80	80	77
Under age 60	102	98	99	102	110	101	96	85	90	90	85	83	80
Aged 60 and over	99	105	109	114	108	97	98	98	85	94	86	78	90
Income under \$30,000	98	104	94	101	106	89	86	81	79	79	68	68	86
Income \$30,000 and over	102	103	107	108	108	101	103	92	94	95	92	85	85

*Revised. †Preliminary.

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	434	Race		Gender	
		% Non-white	13	% Male	45
Average age	55	% White	87	% Female	55
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	17	% Yes	6	% North	26
% \$20,000 to \$29,999	10	% No	94	% Central	18
% \$30,000 to \$49,999	23			% Southeast	24
% over \$50,000	50			% Southwest	32