

FLORIDA CONSUMER CONFIDENCE INDEX
October 23, 2009
FOR IMMEDIATE RELEASE



From:
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Consumer Confidence

Consumer confidence among Floridians was flat at 72 in October compared to a downwardly revised September reading of 74. An additional week of interviewing in September resulted in the two point downward revision. In October two of the five components increased while three declined. Perceptions of personal finances now compared to a year ago rose three points to 45, while perceptions of personal finances a year from now fell a point to 80. Expectations about U.S. economic conditions over the next year fell three points to 71 while expectations about U.S. economic conditions over the next five years fell three points to 81. Perceptions as to whether it is a good time to buy big-ticket items rose three points to 83.

“The revision downward and the flat reading this month is more in line with what we had been expecting,” said Chris McCarty, the Survey Director. “Given the economic environment in Florida and the U.S. the preliminary reading of 74 last month seemed high. The movement among the individual components this month is in many ways a reversal of the previous month. Consumers are more optimistic this month about their current personal finances and less optimistic about the U.S. economy in both the short and long term. They remain bullish on buying opportunities and are likely to be even more optimistic when they see the drastically lower prices from retailers in the coming months as they try to boost holiday sales among the most cautious U.S. consumer since the Great Depression. “

The economic landscape in Florida remains mixed. Home prices in most Florida markets have held steady over the past few months although they are down an average of 43 percent from the peak values reached in June 2006. It is unclear how much of this stability is due to activity from first-time home-buyers who took advantage of the \$8,000 tax credit due to expire December 1. The most recent mortgage applications survey from the Mortgage Bankers Association showed a large decline in applications for both new mortgages and refinancing, suggesting that sales may fall in the coming months without the tax rebate. This could potentially result in new downward pressure on home prices, although prices are already down to 2002-2003 levels. The Dow Jones passed the 10,000 mark and the recent rally seems sustainable in the short run. Florida managed to get through the hurricane season with no activity, which will help the bottom line of the beleaguered Citizen’s Property Insurance. On the down side unemployment in Florida rose to 11 percent. Retail sales remain quite low and will likely contribute to further unemployment in many metro areas as the holiday season unfolds. Most forecasts predict no growth in retail sales compared to a very bad 2008 holiday season.

“Floridians should prepare for more bad news through the first quarter of 2010,” said McCarty. “If retail sales growth is as low as expected, sales tax revenues will not meet expectations. As unemployment rises the number of Floridians on Medicaid continues to rise. With decreasing revenues and increasing costs the state is could see a \$2.6 billion budget deficit. That will mean increased taxes and fees and certainly more cost-cutting by the Florida Legislature as the spring session unfolds.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
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	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09
Consumer Confidence Index													
FLORIDA	63	62	67	66	62	65	72	71	69	67	71	72	72
Men	67	64	69	67	61	63	73	73	69	67	74	74	75
Women	58	60	65	65	62	66	70	70	69	66	69	70	69
Under age 60	64	64	67	67	61	67	71	72	70	71	72	76	70
Aged 60 and over	62	61	67	65	62	62	72	70	69	63	70	68	74
Income under \$30,000	60	61	62	64	63	63	67	64	58	63	68	67	68
Income \$30,000 and over	65	63	70	68	61	65	74	75	74	71	73	76	73
Personal financial situation now compared to a year ago													
FLORIDA	41	40	39	43	41	42	44	41	46	43	44	42	45
Men	43	46	42	45	43	40	47	44	47	44	46	43	47
Women	38	34	36	40	39	43	42	38	45	43	41	42	44
Under age 60	46	43	40	47	40	40	44	41	45	45	44	43	40
Aged 60 and over	35	37	38	37	41	42	44	41	48	42	43	41	50
Income under \$30,000	38	37	24	29	35	34	36	31	29	34	39	35	36
Income \$30,000 and over	45	41	43	49	44	43	48	46	53	48	45	46	46
Personal financial situation expected one year from now													
FLORIDA	86	81	87	83	79	80	85	90	84	79	84	81	80
Men	88	83	88	87	77	79	86	88	84	75	84	90	79
Women	83	78	86	79	82	81	84	91	84	83	85	73	80
Under age 60	87	89	93	92	88	88	88	94	93	92	94	95	85
Aged 60 and over	83	72	78	73	70	73	82	84	74	66	72	66	74
Income under \$30,000	80	76	90	81	81	85	81	87	71	78	81	73	75
Income \$30,000 and over	88	84	90	85	81	80	88	93	90	82	88	88	80
Expected national economic conditions over the next year													
FLORIDA	57	55	62	55	49	60	69	72	66	63	72	74	71
Men	61	47	62	53	41	53	70	72	62	62	75	69	73
Women	53	63	62	58	56	66	68	72	69	64	70	78	69
Under age 60	56	58	58	55	48	61	65	72	66	69	72	75	68
Aged 60 and over	59	52	65	56	49	58	73	71	66	58	74	72	74
Income under \$30,000	57	64	62	70	60	66	68	74	53	62	70	78	77
Income \$30,000 and over	58	52	62	52	44	57	70	74	71	67	74	73	69
Expected national economic conditions over the next 5 years													
FLORIDA	77	73	78	75	67	79	82	80	81	72	81	84	81
Men	82	73	80	70	66	75	82	77	77	72	79	81	83
Women	72	73	77	80	68	82	83	81	84	73	82	86	79
Under age 60	76	75	77	73	64	82	78	79	81	72	79	86	78
Aged 60 and over	79	71	80	78	70	75	86	79	82	73	83	82	85
Income under \$30,000	79	76	85	79	77	79	85	73	73	70	89	84	80
Income \$30,000 and over	77	72	76	74	62	75	82	82	86	75	78	84	81
Is this a good time to buy major household items?													
FLORIDA	54	62	71	74	72	62	78	76	68	77	75	80	83
Men	62	70	74	80	79	69	82	84	75	84	86	89	95
Women	46	54	67	68	67	57	74	67	62	69	65	72	72
Under age 60	55	53	69	67	67	66	80	76	65	77	73	80	78
Aged 60 and over	54	73	73	83	78	59	75	73	74	77	79	82	88
Income under \$30,000	57	53	49	62	61	50	66	57	63	71	58	66	73
Income \$30,000 and over	58	66	78	79	76	67	84	80	72	81	82	89	90

*Revised. †Preliminary.

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	408	Race		Gender	
		% Non-white	16	% Male	45
Average age	57	% White	84	% Female	55
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	14	% Yes	11	% North	29
% \$20,000 to \$29,999	12	% No	89	% Central	13
% \$30,000 to \$49,999	24			% Southeast	26
% over \$50,000	50			% Southwest	32