

From:
UF Survey Research Center
Bureau of Economic and Business Research
Warrington College of Business Administration
University of Florida
P. O. Box 117145, Gainesville, Florida 32611-7145

Contact:
Chris McCarty, Survey Director
Office: (352) 392-2908 ext. 100

Consumer Confidence

Consumer confidence among Floridians fell one point in November to 62 from the revised November 25 value of 63. Survey responses collected in the last week of November 25 resulted in an index three points higher than the preliminary index of 60. Four of the five index components fell in November. Perceptions of personal finances now compared to a year ago fell one point to 40, its lowest level on record. Perceptions of personal finances a year from now fell five points to 81. Expectations about U.S. economic conditions over the next year fell two points to 55, while expectations of economic conditions over the next five years fell four points to 73. The only component to show an increase was perceptions as to whether it is a good time to buy big-ticket consumer items, which rose eight points to 62.

"Although consumer confidence rose in November it is still very close to historical lows," said Chris McCarty, the Survey Director. "One of the most telling results from this month is the continued decline in perceptions of current personal finances. That reading indicates pervasive pessimism among consumers. The only thing keeping the index up at this point is optimism about the future. Consumers may have processed the bad news, which is starting to look the same day to day, and are looking forward to a change in government to provide some relief."

Virtually all of the economic news this past month has been bad. All of the stock indexes, both domestically and abroad continue to show declines providing no safe haven for investors. News of failing banks, and now the potential for at least one of the Big Three automakers failing has many people on edge. Without such a failure the employment situation continues to darken as companies trim payrolls to weather bleak earnings forecasts stretching into 2009. A failure of one of the large automakers would likely double the jobs lost so far sending an unprecedented shock wave through an economic landscape already decimated from months of failures.

"Were one of the Big Three to fail it would be like being hit with back to back hurricanes," said McCarty. "Unfortunately, providing assistance to an industry like that opens the door for many, many other industries to seek similar aid. Our leaders are in a very precarious situation."

"Looking forward, we can expect continued low levels of consumer confidence through the remainder of the year, which will result in perhaps the worst holiday season in decades. At a certain point however, the nature of the questions makes it difficult for the index to continue its fall. At some point pessimism will turn to optimism and consumer spending will return. There is some discussion in the news as to whether the American consumer has permanently changed buying behavior. While they will certainly exercise more restraint in the short run, past recession cycles have been in part reversed by pent up demand of consumers buying at the end of

the cycle. This is still the most likely scenario, assuming something like deflation does not set in where prices continue to fall and consumers refuse to buy waiting for lower prices."

FLORIDA ECONOMIC AND CONSUMER SURVEY†
November 2523, 2008
Bureau of Economic and Business Research
University of Florida

	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-07	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08
Consumer Confidence Index													
FLORIDA	76	74	70	73	70	66	63	59	61	67	68	63	62
Men	80	79	75	79	74	67	70	61	65	72	71	67	64
Women	74	70	66	68	66	65	59	57	58	63	67	58	60
Under age 60	77	75	72	73	69	67	64	58	61	65	68	64	64
Aged 60 and over	76	72	68	74	70	64	63	60	60	70	68	62	61
Income under \$30,000	69	64	58	66	62	60	58	56	52	69	61	60	61
Income \$30,000 and over	80	77	74	76	74	67	66	59	62	66	68	65	63
Personal financial situation now compared to a year ago													
FLORIDA	70	64	65	65	64	59	55	51	46	51	49	41	40
Men	73	69	75	71	69	61	68	53	53	56	50	43	46
Women	68	61	56	59	59	58	47	50	41	47	49	38	34
Under age 60	73	67	67	66	67	63	56	56	52	52	50	46	43
Aged 60 and over	68	58	62	64	59	54	56	46	38	47	48	35	37
Income under \$30,000	59	41	42	50	47	40	43	35	34	40	30	38	37
Income \$30,000 and over	74	70	73	71	71	64	61	55	51	52	52	45	41
Personal financial situation expected one year from now													
FLORIDA	86	87	82	84	88	79	77	73	80	82	85	86	81
Men	89	89	83	89	90	80	82	72	84	83	84	88	83
Women	84	85	82	80	87	78	73	73	77	81	87	83	78
Under age 60	93	96	92	91	98	89	84	84	85	86	95	87	89
Aged 60 and over	78	75	70	76	73	65	65	57	68	77	72	83	72
Income under \$30,000	72	77	77	75	72	56	70	68	67	79	82	80	76
Income \$30,000 and over	94	91	89	89	94	85	78	74	81	84	86	88	84
Expected national economic conditions over the next year													
FLORIDA	62	65	55	65	58	52	51	51	51	64	65	57	55
Men	63	72	56	72	60	55	54	54	51	69	68	61	47
Women	61	60	54	59	56	50	48	48	51	61	62	53	63
Under age 60	59	62	56	64	50	49	49	47	48	59	63	56	58
Aged 60 and over	65	68	54	66	67	55	53	55	55	73	65	59	52
Income under \$30,000	58	66	52	66	54	48	50	58	46	75	69	57	64
Income \$30,000 and over	64	66	56	64	60	51	52	48	50	60	60	58	52
Expected national economic conditions over the next 5 years													
FLORIDA	79	79	74	83	76	72	70	69	68	80	77	77	73
Men	85	83	79	86	82	71	75	73	72	88	78	82	73
Women	75	77	71	80	71	73	66	66	66	75	76	72	73
Under age 60	76	78	72	81	71	69	69	64	65	76	76	76	75
Aged 60 and over	83	81	79	86	83	76	71	76	73	88	78	79	71
Income under \$30,000	70	66	58	77	70	46	69	78	58	84	78	79	76
Income \$30,000 and over	83	84	78	84	80	71	72	67	70	78	73	77	72
Is this a good time to buy major household items?													
FLORIDA	84	75	74	69	64	67	64	50	59	57	66	54	62
Men	89	82	81	75	71	69	71	51	66	65	73	62	70
Women	81	70	68	64	58	66	59	50	55	52	59	46	54
Under age 60	82	73	72	62	60	65	60	41	55	51	58	55	53
Aged 60 and over	88	76	77	75	70	68	71	65	66	65	74	54	73
Income under \$30,000	84	71	63	64	68	56	60	42	54	64	47	57	53
Income \$30,000 and over	88	75	75	70	66	64	64	50	58	55	69	58	66

*Revised. †Preliminary.

FLORIDA ECONOMIC AND CONSUMER SURVEY
November 2523, 2008
Bureau of Economic and Business Research
University of Florida

CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	504	Race		Gender	
		% Non-white	15	% Male	50
Average age	56	% White	85	% Female	50
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	14	% Yes	9	% North	23
% \$20,000 to \$29,999	11	% No	91	% Central	17
% \$30,000 to \$49,999	25			% Southeast	27
% over \$50,000	50			% Southwest	33