

FLORIDA CONSUMER SENTIMENT INDEX
November 26, 2013
FOR IMMEDIATE RELEASE



From:
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Consumer Sentiment

Consumer sentiment among Floridians recovered much of the loss between September and October rising to 76 from the revised reading of 70. Four of the five components that make up the index rose and one declined. Perceptions of personal finances now compared to a year ago rose six points to 67 while expectations of personal finances a year from now fell two points to 72. Perceptions of U.S. economic conditions over the next year rose nine points to 75 while expectations of U.S. economic conditions over the next five years rose two points to 73. Perceptions as to whether it is a good time to buy big ticket items such as a car or large appliance rose 16 points to 94. That component is now at the highest since April 2007 when the economy was showing signs of the bursting housing bubble which led to the Great Recession

“As expected consumer sentiment among Floridians regained much of the loss from October as the shutdown and debt ceiling debate came and went,” said Chris McCarty, the Survey Director. “However at 76 we are several points away from our post-recession high of 81. We also note that the October reading was revised down one point to 70 indicating just how much of an effect it had on consumer optimism. The gain in confidence was particularly strong among seniors aged 60 and over who were likely concerned over the potential consequences of a default on U.S. debt, such as potential delays in the distribution of Social Security and the negative effects such a default would have on an otherwise strong stock market. Prior to the shutdown confidence was at 78. Although another shutdown is a possibility in January but is unlikely given the effects on the economy such as consumer confidence.”

Other economic indicators for Florida continue to improve. The employment data for Florida were not available in August and September due to the shutdown, but October unemployment which came out Friday show Florida unemployment continuing to decline. Florida unemployment for October is down to 6.7 percent, the lowest since August 2008 when the recession was unfolding. U.S. unemployment actually increased in October to 7.3 percent, in part because more people were looking for work. The labor force once again declined which continues to be part of the explanation for lower unemployment. Construction and Goods Producing and Leisure and Hospitality showed the most growth while government employment continues to show declines. The median price of a single family home declined again in October to \$169,000 and housing sales are showing signs of moderating. While housing gains prices are not likely to decline as the sales are to buyers with good credit, housing price increases and construction related to that are not likely to be the drivers of the recovery as they have been over the past year. The stock market continues to be a bright spot and likely will continue until the Federal Reserve begins to aggressively taper its support of the economy through the purchase of mortgage backed securities. While they could taper in December at least to signal that it is willing to do so they are unlikely to withdraw significantly from their position until at least the second quarter. Inflation continues to be in check as gas prices have declined, although not as sharply as they had been. Although 30 year

mortgage rates have increased to over 4 percent they are still at historical lows. This contributes to perceptions about buying conditions.

“Looking forward we expect little change in Florida consumer sentiment in December,” said McCarty. “Barring any economic surprises consumer sentiment should not change until January. Depending on the way Congress deals with the shutdown and debt ceiling confidence may go up or could decline considerably. Given cautious consumers and inconsistent retail sales data and a short holiday season between Thanksgiving and Christmas we expect holiday sales to be weak compared to last year.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
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	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13
Consumer Sentiment Index													
FLORIDA	74	76	75	73	76	79	81	81	77	77	78	70	76
Men	70	75	75	71	78	78	82	85	79	77	82	69	80
Women	77	76	74	76	75	80	79	79	74	77	74	71	72
Under age 60	79	83	80	77	77	86	85	90	80	82	82	78	77
Aged 60 and over	70	70	72	71	75	74	78	74	75	73	74	63	76
Income under \$30,000	71	72	74	72	67	62	73	74	69	70	69	62	67
Income \$30,000 and over	74	80	74	75	81	84	88	86	82	81	82	73	82
Personal financial situation now compared to a year ago													
FLORIDA	57	62	59	64	65	71	67	69	63	63	65	61	67
Men	59	65	60	63	72	70	72	76	67	67	71	63	77
Women	56	60	58	64	58	71	62	63	60	58	61	59	56
Under age 60	64	71	65	69	64	78	73	82	72	68	75	68	67
Aged 60 and over	53	55	56	60	65	63	63	58	57	57	59	54	67
Income under \$30,000	43	43	51	55	51	47	56	54	50	52	49	43	46
Income \$30,000 and over	61	74	60	65	71	77	75	77	69	66	73	70	76
Personal financial situation expected one year from now													
FLORIDA	77	76	75	74	72	79	82	82	75	81	80	74	72
Men	70	76	78	70	74	77	82	82	77	80	81	71	74
Women	84	77	72	80	71	82	82	82	72	83	79	76	71
Under age 60	91	95	88	91	82	95	94	101	85	94	96	93	80
Aged 60 and over	66	61	66	66	64	66	72	66	68	69	66	58	67
Income under \$30,000	78	85	76	76	66	64	71	82	68	76	71	66	68
Income \$30,000 and over	75	78	74	74	78	84	90	86	79	86	86	77	76
Expected national economic conditions over the next year													
FLORIDA	79	76	76	72	77	79	81	82	79	76	76	66	75
Men	71	75	75	67	75	77	79	82	78	70	79	62	75
Women	88	76	78	77	79	82	83	82	79	82	74	69	74
Under age 60	78	80	79	69	76	86	84	88	79	83	76	73	75
Aged 60 and over	80	72	75	74	76	75	80	79	79	71	76	60	75
Income under \$30,000	80	77	86	74	67	62	75	78	76	73	76	64	67
Income \$30,000 and over	77	77	72	74	80	84	88	85	83	78	77	66	80
Expected national economic conditions over the next 5 years													
FLORIDA	77	78	76	69	76	77	82	82	75	78	75	71	73
Men	81	74	77	66	75	78	82	83	77	77	80	69	69
Women	82	81	75	72	78	76	82	81	73	79	71	73	78
Under age 60	80	80	80	72	75	82	82	89	77	81	81	77	73
Aged 60 and over	75	76	74	68	78	73	83	77	75	76	71	67	74
Income under \$30,000	81	77	76	72	74	65	83	69	77	73	75	70	73
Income \$30,000 and over	76	80	74	71	78	81	86	86	80	81	77	70	75
Is this a good time to buy major household items?													
FLORIDA	78	86	87	88	90	90	91	92	92	87	91	78	94
Men	81	87	86	90	93	89	94	100	96	91	100	81	106
Women	75	84	88	85	87	91	88	85	88	83	83	75	81
Under age 60	81	86	89	87	87	87	90	92	87	82	82	79	91
Aged 60 and over	75	86	87	89	92	93	93	92	96	92	99	77	97
Income under \$30,000	73	79	82	82	76	72	81	88	76	76	73	67	79
Income \$30,000 and over	80	89	90	92	96	94	100	95	100	91	96	83	103

*Revised. †Preliminary.

Nov-12 Dec-12 Jan-13 Feb-13 Mar-13 Apr-13 May-13 Jun-13 Jul-13 Aug-13 Sep-13 Oct-13 Nov-13

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	405	Race		Gender	
		% Non-white	14	% Male	51
Average age	61	% White	86	% Female	49
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	15	% Yes	8	% North	25
% \$20,000 to \$29,999	14	% No	92	% Central	18
% \$30,000 to \$49,999	21			% Southeast	19
% over \$50,000	50			% Southwest	38