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Consumer Sentiment

Consumer sentiment among Floridians rebounded 1.6 points in June to 89.5 after a nearly 7-point tumble in May. Of the five components that make up the index three increased and two decreased. Perceptions of personal finances now compared to a year ago fell 5.9 points to 78.3 following a 1.1 point decline in May. However expectations about personal finances a year from now surged 9 points to 103.3, erasing a large decline in May. Expectations of U.S. economic conditions over the next year was down 1.7 points at 83.9 while expectations of U.S. economic conditions over the next five years rose 2.8 points to 84.1. Perceptions as to whether it is a good time to buy big-ticket items rose 3.5 points to 97.8.

“The overall gains in the Florida index in June were among older and low income households,” said Chris McCarty, the Survey Director. “These two demographics showed particular strength in their expectations about their personal finances a year from now, and were the only demographic to report their current finances being better than a year ago. In contrast, households with more than \$50,000 in income reported a 12-point decline in their perceptions of their current personal finances. This is a sharp decline given that this component had been at or near 100 since February. It is also unusual given that most economic indicators that would affect upper income households remain positive.”

The unemployment rate in Florida rose in May by .1 percent to 5.7 seemingly mirroring U.S. unemployment which also rose .1 percent to 5.4. The U.S. unemployment rate increased because of an increase in the labor force, presumably because some people who were previous not looking for a job started looking as more opportunities emerged. However Florida gained 268,500 jobs while the labor force declined by 27,000. Unlike the U.S. rate, the increase in Florida unemployment was due entirely to rounding; they were functionally unchanged month over month. Florida also differs from the U.S. which saw labor force participation rise from 62.8 percent to 62.9 percent, while Florida’s participation rate declined from 59.6 percent to 59.3 percent. The stock market has been somewhat volatile in June and those with investments are increasingly wary that equities are over-priced. They may in part have reacted to a fear that a correction is near, particularly prior to the Federal Reserve meeting where they were to discuss raising short term interest rates. Currently the stock market is still near record highs and the Federal Reserve has put off an interest rate hike for the time being, at least until September. So far housing sales and prices have been strong this spring with the median price for a single family home higher than a month ago and a year ago. Higher income households may be concerned about a potential drop in housing prices given that they are more likely to own, but so far that is not realized. Counter to forecasts gas prices rose in June by over 10 cents which disproportionately affects lower income households. Inflation in the U.S. rose .4 percent in May, a good sign for the Federal Reserve, but excluding food and energy only rose .1 percent.

“There are signs that the labor market in the U.S. is healing, with the economy adding jobs, jobless claims falling and more people returning to the labor market,” said McCarty. “Wages are still somewhat stagnant although forecasts suggest they may pick up soon. Inflation has improved but there are still concerns about consumers not buying at the same pace as the increases in employment. Florida has made consistent employment gains, but the jobs we have created tend to pay less than national averages and labor force participation is still historically low. We don’t expect much news within the U.S. to affect the consumer sentiment index over the next few months, although issues in Europe particularly the fate of Greece are once again making headlines. The fear is that Greece getting special treatment from

the European Union or exiting the EU could spark problems with other nations in financial distress. As Europe is our largest trading partner this could ultimately affect the U.S. economy and Florida in particular as many tourists and homebuyers now come from Europe.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
June 26, 2015
Bureau of Economic and Business Research
University of Florida

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Consumer Sentiment Index													
FLORIDA	82.2	81.5	82.4	82.8	84.3	85.9	87.6	93.1	93.7	97.3	94.7	87.9	89.5
Men	84.7	86.0	84.7	84.5	86.2	88.3	89.5	99.8	97.1	100.1	97.6	89.7	93.4
Women	79.8	76.8	80.0	81.1	82.4	83.3	85.7	86.9	90.5	94.7	92.1	86.2	85.8
Under age 60	88.4	88.2	85.6	88.6	88.8	89.5	91.6	96.2	97.8	101.9	100.1	92.0	94.4
Aged 60 and over	78.6	75.4	79.6	78.1	81.7	82.5	86.0	86.1	82.6	85.5	83.6	76.2	79.1
Income under \$50,000	73.9	73.4	70.9	68.7	82.0	75.2	79.3	88.5	89.5	91.4	90.6	83.3	86.5
Income \$50,000 and over	86.7	86.2	85.0	88.2	86.6	91.6	92.2	101.8	102.8	105.1	101.3	95.4	95.4
Personal financial situation now compared to a year ago													
FLORIDA	76.0	73.5	73.6	75.2	72.6	75.8	73.3	77.5	84.9	88.1	85.3	84.2	78.3
Men	79.4	78.5	80.7	78.6	74.4	80.2	76.6	86.8	90.3	92.3	89.4	88.3	82.8
Women	72.9	68.2	66.3	71.7	70.9	71.0	69.9	68.9	79.8	84.2	81.5	80.5	74.0
Under age 60	81.7	83.0	81.9	84.0	81.2	81.3	79.2	84.2	90.9	93.4	93.7	89.7	82.2
Aged 60 and over	72.9	64.9	66.9	68.6	67.2	71.5	70.5	64.1	68.8	75.3	65.5	69.1	70.1
Income under \$50,000	65.7	51.2	53.7	53.4	71.0	51.8	60.8	68.8	74.6	80.8	76.7	71.6	73.5
Income \$50,000 and over	81.1	82.4	77.5	83.2	73.7	86.5	78.3	89.3	100.9	99.3	100.2	99.8	87.9
Personal financial situation expected one year from now													
FLORIDA	82.7	80.6	84.6	83.4	83.3	81.9	85.7	102.0	101.2	104.7	103.2	94.3	103.3
Men	85.5	82.6	88.6	82.8	87.1	82.2	89.4	105.0	104.2	104.9	105.9	97.0	101.3
Women	80.1	78.5	80.6	83.9	79.7	81.6	81.8	99.2	98.5	104.5	100.7	91.8	105.2
Under age 60	101.9	96.5	100.3	100.0	96.3	91.1	100.4	110.7	107.5	112.6	114.0	102.1	112.0
Aged 60 and over	70.7	67.2	71.6	72.2	75.8	74.7	76.2	82.0	84.2	83.3	78.2	73.3	84.0
Income under \$50,000	81.5	75.9	77.3	80.5	83.1	75.6	77.2	101.0	101.0	101.5	106.2	92.9	105.2
Income \$50,000 and over	86.8	83.4	87.1	86.3	85.7	86.0	92.3	105.6	110.2	109.7	103.3	98.3	102.9
Expected national economic conditions over the next year													
FLORIDA	80.1	80.5	79.8	79.0	82.5	85.8	87.0	95.7	93.4	95.4	93.2	85.6	83.9
Men	76.9	83.2	79.7	80.7	84.0	86.2	88.9	100.5	97.9	97.9	94.2	87.7	90.9
Women	83.0	77.6	79.8	77.3	81.0	85.4	84.9	91.1	89.2	93.1	92.2	83.5	77.2
Under age 60	84.6	85.8	79.9	82.5	86.0	89.1	89.2	97.5	96.7	98.7	97.6	90.6	90.6
Aged 60 and over	77.1	76.0	79.5	75.7	80.7	81.7	86.7	89.2	85.5	86.2	83.9	71.2	71.0
Income under \$50,000	76.9	79.3	68.1	62.5	76.9	82.4	82.1	92.1	90.8	90.4	88.1	84.4	81.4
Income \$50,000 and over	83.2	84.8	84.1	83.5	85.5	88.9	89.8	104.3	98.7	101.5	98.6	89.5	89.5
Expected national economic conditions over the next 5 years													
FLORIDA	78.1	80.6	79.5	80.9	85.6	85.1	87.3	91.9	90.2	92.4	90.0	81.3	84.1
Men	80.8	86.0	79.2	83.4	86.6	87.6	86.7	102.9	90.6	97.7	94.0	81.7	88.0
Women	75.6	74.9	79.8	78.5	84.6	82.5	87.9	81.7	89.8	87.4	86.3	80.8	80.4
Under age 60	83.3	82.5	76.7	82.7	86.4	85.8	85.0	90.7	93.8	96.0	92.6	84.8	89.2
Aged 60 and over	75.0	78.3	81.6	79.1	85.0	82.8	89.3	93.0	80.0	82.7	87.0	70.0	74.2
Income under \$50,000	70.8	75.7	72.0	68.4	93.4	78.8	86.8	88.7	88.8	85.7	88.2	80.8	80.0
Income \$50,000 and over	83.3	84.4	81.6	85.1	85.0	89.6	88.8	99.6	93.0	101.3	92.6	84.0	92.5
Is this a good time to buy major household items?													
FLORIDA	94.0	92.6	94.4	95.5	97.4	100.9	104.9	98.6	98.7	106.0	101.9	94.3	97.8
Men	101.1	99.8	95.3	97.0	98.8	105.4	105.8	104.0	102.6	108.0	104.4	94.0	103.9
Women	87.5	85.0	93.4	93.9	96.0	96.0	104.0	93.5	95.0	104.2	99.6	94.5	92.0
Under age 60	90.5	93.4	89.3	94.0	94.1	100.2	103.9	98.0	100.2	108.9	102.5	92.9	98.0
Aged 60 and over	97.5	90.6	98.6	95.2	99.7	101.8	107.3	102.2	94.7	100.1	103.2	97.3	96.0
Income under \$50,000	74.7	85.0	83.1	78.7	85.6	87.4	89.5	91.9	92.3	98.5	93.9	87.0	92.6
Income \$50,000 and over	99.1	96.2	94.7	102.8	103.2	106.7	111.7	110.3	111.3	113.6	112.0	105.5	104.2
*Revised. †Preliminary.	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	413	Race		Gender	
		% Non-white	27	% Male	55
Average age	47	% White	73	% Female	45
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	20	% Yes	15	% North	21
% \$20,000 to \$29,999	14	% No	85	% Central	20
% \$30,000 to \$49,999	20			% Southeast	29
% over \$50,000	46			% Southwest	30

Data Collection Dates: June 1 to 21, 2015