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### *Consumer Confidence*

Consumer confidence among Floridians declined by one point to 75 in January compared to a revised reading of 76 for December. Of the five components that make up the index two declined, two increased and one stayed the same. Perceptions of personal finances now compared to a year ago fell three points to 59 while expectations of personal finances a year from now rose a point to 77. Expectations of U.S. economic conditions over the next year were unchanged at 76 while expectations of U.S. economic conditions over the next five years fell two points to 76. Perceptions as to whether it is a good time to buy big ticket items rose one point to 87.

“Consumer confidence is more or less flat since the election,” said Chris McCarty. “There was strong possibility of a big decline in January if the fiscal cliff had not been averted. While much of it has been delayed Congress did actually accomplish a few things. The payroll tax cut which was originally intended as a stimulus has been repealed. Over time consumers will notice this in their paychecks and many will see this as a tax increase. Taxes for income over \$400,000 a year reverts to the Clinton-era tax rates. Confidence for more well off households decreased by seven points while those making under \$30,000 increased by five points. Somewhat less noticed is that Congress permanently eliminated the Alternative Minimum Tax which had the potential to severely curtail consumer spending. So far there have been no changes to Social Security and Medicare which is reflected in an increase in confidence among seniors by three points. This all boils down to little change for most Florida consumers in January (until the payroll tax hike shows up in paychecks), and thus consumer confidence comparable to the previous two months.”

Other Florida economic indicators were mixed. Unemployment declined again in December by .1 to 8.0 percent. Although much of the drop in unemployment in 2012 was due to a decline in the labor force, there have been some real gains. Florida’s unemployment rate is now only .2 percent different than national unemployment which is 7.8 percent. Nationally jobless claims fell unexpectedly last week, another indication that the U.S., and Florida, economy are on the mend. The stock market has hit a post-Recession high, buoyed by the short term aversion of the fiscal cliff and positive indicators. Housing continues to improve with some areas of Florida actually experiencing shortages of existing homes, leading to increased construction. The median price of a single family home increased to \$154,000 in December, about what it was in December 2008. While there is a long way to go in reaching the peak of June 2006, prices have increased substantially from where they were. This improves the balance sheet of many Florida households who were underwater in their mortgages. Gas prices are fluctuating and currently on the rise, but long term may decline as U.S. supplies improve.

“Consumer confidence may decline in February as consumers begin to notice the effect of a return to pre-stimulus payroll tax levels, a change in withholding from 4.2% to 6.2%,” said McCarty. “The bigger concern is what looms in March as the sequester which was put off for three months seems increasingly likely. Most news sources

suggest that federal agencies are bracing to absorb the impact of \$109 billion in cuts that would have to be paid for in a more compressed time. While sequestration would hit other areas of the country, such as the Washington DC area, more than Florida, no state will be unaffected. It remains to be seen if talks about sequestration begin any time soon.”

**FLORIDA ECONOMIC AND CONSUMER SURVEY†**  
**January 29<sup>th</sup>, 2013**  
**Bureau of Economic and Business Research**  
**University of Florida**

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13
<b>Consumer Confidence Index</b>													
FLORIDA	77	76	75	74	78	73	77	76	80	80	74	76	75
Men	78	78	74	78	79	74	80	78	79	80	70	75	77
Women	76	73	76	70	77	72	74	74	80	80	77	76	73
Under age 60	81	80	76	77	83	78	81	80	81	84	79	83	79
Aged 60 and over	73	71	74	71	74	70	74	74	80	77	70	70	73
Income under \$30,000	73	67	68	70	70	68	66	66	76	77	71	72	77
Income \$30,000 and over	82	81	79	78	84	79	82	82	83	82	74	80	73
<b>Personal financial situation now compared to a year ago</b>													
FLORIDA	61	59	62	63	62	61	64	61	64	64	57	62	59
Men	65	61	61	67	65	60	69	64	65	66	59	65	61
Women	57	57	64	58	59	61	59	57	63	61	56	60	56
Under age 60	66	67	67	71	67	69	72	65	71	70	64	71	63
Aged 60 and over	57	53	58	55	58	54	55	58	57	57	53	55	57
Income under \$30,000	45	38	49	48	47	49	51	47	50	52	43	43	57
Income \$30,000 and over	70	69	69	72	71	68	71	69	72	69	61	74	58
<b>Personal financial situation expected one year from now</b>													
FLORIDA	84	81	82	79	86	76	85	85	86	85	77	76	77
Men	82	82	79	83	87	73	89	85	81	84	70	76	83
Women	87	80	85	76	85	80	80	84	90	85	84	77	71
Under age 60	95	95	92	91	102	88	97	96	92	94	91	95	89
Aged 60 and over	73	69	73	69	74	67	73	74	80	76	66	61	69
Income under \$30,000	78	78	78	81	85	72	76	68	85	89	78	85	81
Income \$30,000 and over	90	87	84	80	91	80	91	94	87	86	75	78	75
<b>Expected national economic conditions over the next year</b>													
FLORIDA	75	74	73	73	76	73	75	75	81	85	79	76	76
Men	73	76	71	77	71	75	76	74	77	85	71	75	75
Women	77	71	75	68	82	71	75	76	84	86	88	76	78
Under age 60	78	76	70	72	81	74	78	78	81	87	78	80	78
Aged 60 and over	73	70	75	71	72	74	73	73	83	84	80	72	75
Income under \$30,000	81	69	71	73	73	67	64	65	82	83	80	77	88
Income \$30,000 and over	75	78	76	73	81	80	78	78	84	84	77	77	71
<b>Expected national economic conditions over the next 5 years</b>													
FLORIDA	83	81	79	76	84	80	79	82	84	86	77	78	76
Men	83	82	78	77	84	81	81	85	83	85	81	74	77
Women	82	81	81	76	85	79	77	78	85	88	82	81	74
Under age 60	85	84	73	76	85	77	79	83	77	87	80	80	77
Aged 60 and over	81	78	85	76	84	84	80	81	93	86	75	76	75
Income under \$30,000	84	78	79	72	76	76	69	80	84	85	81	77	78
Income \$30,000 and over	85	84	81	77	91	86	83	83	84	86	76	80	72
<b>Is this a good time to buy major household items?</b>													
FLORIDA	82	83	79	80	82	77	82	80	85	79	78	86	87
Men	86	87	80	88	88	83	84	84	92	78	81	87	87
Women	78	78	77	73	76	69	80	75	79	81	75	84	86
Under age 60	82	78	77	74	80	82	77	75	83	80	81	86	87
Aged 60 and over	82	87	78	86	83	72	87	71	87	79	75	86	87
Income under \$30,000	76	72	62	60	70	72	70	70	76	77	73	79	82
Income \$30,000 and over	90	87	86	86	86	80	85	84	88	82	80	89	90
*Revised. †Preliminary.	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

<b>Sample Size</b>	433	<b>Race</b>		<b>Gender</b>	
		% Non-white	13	% Male	55
<b>Average age</b>	61	% White	87	% Female	45
<b>Income Characteristics</b>		<b>Hispanic Origin</b>		<b>Region</b>	
% less than \$20,000	18	% Yes	6	% North	28
% \$20,000 to \$29,999	10	% No	94	% Central	16
% \$30,000 to \$49,999	21			% Southeast	21
% over \$50,000	51			% Southwest	35