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### *Consumer Sentiment*

Consumer sentiment among Floridians rose one point in January to 78. Of the five components that make up the index two increased, two decreased and one stayed the same. Perceptions of personal finances now compared to a year ago fell one point to 68 while expectations of personal finances a year from now remained unchanged at 78. Expectations of U.S. economic conditions over the next year rose three points to 76 while expectations of U.S. economic conditions over the next five years rose nine points to 83. Perceptions as to whether it is a good time to buy big ticket items such as a car or large appliance fell six points to 85.

“With a budget deal to fund the government through 2015 and little tolerance for a showdown in Congress over raising the debt ceiling the budget uncertainties that have played a significant role in consumer sentiment over the last several years is at least temporarily on hold,” said Chris McCarty, the Survey Director. “Seniors in Florida are particularly more optimistic as much of the wrangling over the budget had the potential to impact them negatively. As far as Congress is concerned we can expect a refreshingly predictable year. This is reflected in the overall consumer sentiment index which is still below post-recession highs but it holding steady at a few points below that. As this is an election year for mid-term elections in Congress and for the race for governor in Florida we can expect issues surrounding those races to have more of an impact on consumers’ perceptions than fear over the consequences of budget cuts.”

Many economic indicators in Florida continue to show signs of improvement. Unemployment declined to 6.2 percent in December down .2 percent from November. The labor force was up from the previous month, but down compared to a year ago. Florida continues to do better than the nation as a whole in terms of the level of unemployment. Florida added jobs in all categories except government employment which has steadily declined since the recession of 2007-2009. The median price of a single family home in Florida rose in December to \$172,630, ending a decline in prices since they hit a post-recession peak in July. Prices are not expected to appreciate a lot during the first part of 2014 as changes to FHA and Fannie Mae policy and the potential for more Federal Reserve tapering add to the cost of housing for buyers. The stock market began the month at record highs but has fallen over 3.5 % in the past few days. Gas prices declined in January and remain relatively low.

“2014 will be a very different year for consumers than we have seen over the past several years,” said McCarty. “Since 2007 there have been a string of events that have affected consumers negatively. This began with the housing crisis and the loss of homeowner equity, followed by significant declines in the stock market, threats of economic collapse in Europe that would reverberate throughout the world and wrangling in Washington over budgets that affected the pocketbook of most Americans. The housing market has recovered many of its losses as has the stock market, the European economy has stabilized and Congress has effectively taken major deficit reduction battles off the table for at least a year. This is welcome news as it creates a more stable and positive environment for the Federal

Reserve to unwind its extraordinary position in supporting the economy through quantitative easing. With a more stable economy the Federal Reserve is likely to continue tapering their purchase of Treasuries and mortgage-backed securities to get back a position closer to what is historically normal. This unwinding is important for consumers as concerns grow that continued extraordinary support could lead to inflation, although that has not been a problem for many years.”

**FLORIDA ECONOMIC AND CONSUMER SURVEY†**  
**January 28, 2014**  
**Bureau of Economic and Business Research**  
**University of Florida**

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
<b>Consumer Sentiment Index</b>													
FLORIDA	75	73	76	79	81	81	77	77	78	70	77	77	78
Men	75	71	78	78	82	85	79	77	82	69	82	79	78
Women	74	76	75	80	79	79	74	77	74	71	72	74	77
Under age 60	80	77	77	86	85	90	80	82	82	78	79	86	77
Aged 60 and over	72	71	75	74	78	74	75	73	74	63	77	71	79
Income under \$30,000	74	72	67	62	73	74	69	70	69	62	65	71	75
Income \$30,000 and over	74	75	81	84	88	86	82	81	82	73	83	79	81
<b>Personal financial situation now compared to a year ago</b>													
FLORIDA	59	64	65	71	67	69	63	63	65	61	69	69	68
Men	60	63	72	70	72	76	67	67	71	63	80	75	71
Women	58	64	58	71	62	63	60	58	61	59	58	63	65
Under age 60	65	69	64	78	73	82	72	68	75	68	69	80	67
Aged 60 and over	56	60	65	63	63	58	57	57	59	54	68	61	68
Income under \$30,000	51	55	51	47	56	54	50	52	49	43	45	50	59
Income \$30,000 and over	60	65	71	77	75	77	69	66	73	70	79	75	71
<b>Personal financial situation expected one year from now</b>													
FLORIDA	75	74	72	79	82	82	75	81	80	74	74	78	78
Men	78	70	74	77	82	82	77	80	81	71	77	79	80
Women	72	80	71	82	82	82	72	83	79	76	70	77	76
Under age 60	88	91	82	95	94	101	85	94	96	93	82	96	91
Aged 60 and over	66	66	64	66	72	66	68	69	66	58	68	67	71
Income under \$30,000	76	76	66	64	71	82	68	76	71	66	65	77	74
Income \$30,000 and over	74	74	78	84	90	86	79	86	86	77	78	81	83
<b>Expected national economic conditions over the next year</b>													
FLORIDA	76	72	77	79	81	82	79	76	76	66	76	73	76
Men	75	67	75	77	79	82	78	70	79	62	77	76	71
Women	78	77	79	82	83	82	79	82	74	69	75	70	81
Under age 60	79	69	76	86	84	88	79	83	76	73	76	77	73
Aged 60 and over	75	74	76	75	80	79	79	71	76	60	77	69	78
Income under \$30,000	86	74	67	62	75	78	76	73	76	64	66	72	76
Income \$30,000 and over	72	74	80	84	88	85	83	78	77	66	81	73	78
<b>Expected national economic conditions over the next 5 years</b>													
FLORIDA	76	69	76	77	82	82	75	78	75	71	76	74	83
Men	77	66	75	78	82	83	77	77	80	69	74	76	80
Women	75	72	78	76	82	81	73	79	71	73	78	71	85
Under age 60	80	72	75	82	82	89	77	81	81	77	74	75	80
Aged 60 and over	74	68	78	73	83	77	75	76	71	67	78	72	85
Income under \$30,000	76	72	74	65	83	69	77	73	75	70	73	67	88
Income \$30,000 and over	74	71	78	81	86	86	80	81	77	70	78	75	83
<b>Is this a good time to buy major household items?</b>													
FLORIDA	87	88	90	90	91	92	92	87	91	78	92	91	85
Men	86	90	93	89	94	100	96	91	100	81	105	90	90
Women	88	85	87	91	88	85	88	83	83	75	80	91	80
Under age 60	89	87	87	87	90	92	87	82	82	79	93	101	77
Aged 60 and over	87	89	92	93	93	92	96	92	99	77	93	83	90
Income under \$30,000	82	82	76	72	81	88	76	76	73	67	78	86	78
Income \$30,000 and over	90	92	96	94	100	95	100	91	96	83	100	93	91
*Revised. †Preliminary.	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

<b>Sample Size</b>	405	<b>Race</b>		<b>Gender</b>	
		% Non-white	17	% Male	48
<b>Average age</b>	63	% White	83	% Female	52
<b>Income Characteristics</b>		<b>Hispanic Origin</b>		<b>Region</b>	
% less than \$20,000	19	% Yes	11	% North	23
% \$20,000 to \$29,999	15	% No	89	% Central	22
% \$30,000 to \$49,999	22			% Southeast	21
% over \$50,000	44			% Southwest	34