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Consumer Confidence

Consumer confidence among Floridians declined four points in June to 74, after jumping to 78 in May. All five of the components that make up the confidence measure declined. Perceptions of personal finances now compared to a year ago fell one point to 61. Expectations of personal finances a year from now fell ten points to 86. Expectations of U.S. economic conditions over the next year fell three points to 73 while expectations of U.S. economic conditions over the next five years fell four points to 84. Perceptions as to whether it is a good time to buy big ticket consumer items fell four points to 78.

“In June Floridians reversed their optimism about their future finances,” said Chris McCarty, the Survey Director. “In May a big part of the increase in confidence came from consumers who were very optimistic that their personal finances would improve over the year. Some of this was likely due to the dramatic drop in gas prices between April and May, a decline of more than 50 cents a gallon. Gas prices have continued to fall through June, but the optimism associated with that fall may have slowed. There is also far more news coverage of the fiscal cliff, a set of expiring tax cuts and automatic budget cuts due in January. Consumers may be considering the potential impact of those cuts if they go through. Europe and the problems facing the euro are once again making headlines and some consumers are likely considering the effects of that as well. The decline in optimism was across age and income groups and did not reflect a specific policy change.”

Several economic indicators are positive for Florida this month. The unemployment rate declined by .1 to 8.6 percent, the lowest level since the recession ended in June 2009. The category registering the biggest increase was professional and business services. The only sectors to lose were construction, which is still suffering from over-building due to the housing boom and government jobs which have been pared due to budget cuts. Unlike previous months the decline in May was not due to a decline in the labor force, although the labor force has shrunk since January. U.S. unemployment was up .1 to 8.2 percent. If the trend of higher employment in a broad set of categories continues for Florida, that will bode well for the recovery. Gas prices are helping, having fallen nearly 30 cents between May and June. The stock market is up for the month. Housing prices which have been slowly recovering since January increased to a median of \$147,000, the highest level since August 2009 shortly after the recession was declared at an end. Short sales now account for more sales than foreclosures which will help home values overall.

“Much of the decline in June is likely due to a change in perception based on recent news releases,” said McCarty. “In addition to increased coverage of the impending fiscal challenge in January, a Federal Reserve analysis in early June of data from the 2010 release of their Survey of Consumer Finances reported that household wealth had eroded to levels from the 1990s. These long term views may have erased the short term positive effects of lower gas

prices. Fortunately gas prices are expected to continue to decline, although at a slower pace, in the next few months. This should help to maintain confidence somewhere near its current level.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†

June 26th, 2012

Bureau of Economic and Business Research

University of Florida

	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
Consumer Confidence Index													
FLORIDA	66	67	61	64	65	66	70	77	76	75	74	78	74
Men	63	66	64	63	67	67	72	78	78	74	78	79	75
Women	70	67	58	65	63	66	67	76	73	76	70	77	72
Under age 60	74	69	65	68	67	70	77	81	80	76	77	83	81
Aged 60 and over	61	66	57	59	63	62	66	73	71	74	71	74	69
Income under \$30,000	61	59	54	58	51	62	65	73	67	68	70	70	68
Income \$30,000 and over	69	72	65	66	71	71	75	82	81	79	78	84	79
Personal financial situation now compared to a year ago													
FLORIDA	54	58	53	49	54	52	56	61	59	62	63	62	61
Men	53	57	54	52	60	55	60	65	61	61	67	65	61
Women	56	58	51	45	48	49	50	57	57	64	58	59	62
Under age 60	63	62	60	51	64	54	63	66	67	67	71	67	71
Aged 60 and over	47	53	46	47	45	49	51	57	53	58	55	58	53
Income under \$30,000	35	40	43	36	35	46	47	45	38	49	48	47	52
Income \$30,000 and over	62	67	60	54	65	57	61	70	69	69	72	71	68
Personal financial situation expected one year from now													
FLORIDA	74	75	73	74	76	80	78	84	81	82	79	86	76
Men	69	76	75	71	76	80	79	82	82	79	83	87	72
Women	80	74	71	78	76	80	78	87	80	85	76	85	81
Under age 60	92	87	85	87	84	89	89	95	95	92	91	102	91
Aged 60 and over	60	63	61	62	68	70	70	73	69	73	69	74	65
Income under \$30,000	73	60	67	70	57	74	75	78	78	78	81	85	74
Income \$30,000 and over	77	85	78	75	85	85	82	90	87	84	80	91	78
Expected national economic conditions over the next year													
FLORIDA	60	57	51	53	55	53	60	75	74	73	73	76	73
Men	55	53	52	51	55	52	61	73	76	71	77	71	75
Women	67	61	50	56	55	54	59	77	71	75	68	82	71
Under age 60	70	57	51	59	55	59	67	78	76	70	72	81	76
Aged 60 and over	54	58	50	47	57	47	55	73	70	75	71	72	72
Income under \$30,000	64	52	46	51	51	57	64	81	69	71	73	73	66
Income \$30,000 and over	59	60	53	52	57	53	60	75	78	76	73	81	79
Expected national economic conditions over the next 5 years													
FLORIDA	70	69	62	68	67	68	73	83	81	79	76	84	80
Men	61	65	65	63	65	64	73	83	82	78	77	84	82
Women	81	72	59	74	69	72	72	82	81	81	76	85	78
Under age 60	72	66	64	71	64	68	79	85	84	73	76	85	78
Aged 60 and over	69	74	58	63	70	67	68	81	78	85	76	84	83
Income under \$30,000	72	69	57	63	57	66	69	84	78	79	72	76	75
Income \$30,000 and over	69	70	64	69	71	70	75	85	84	81	77	91	86
Is this a good time to buy major household items?													
FLORIDA	72	75	68	74	71	78	85	82	83	79	80	82	78
Men	75	78	75	79	77	82	90	86	87	80	88	88	86
Women	68	72	61	70	66	75	77	78	78	77	73	76	70
Under age 60	71	72	67	71	66	78	87	82	78	77	74	80	86
Aged 60 and over	72	80	70	79	77	80	85	82	87	78	86	83	72
Income under \$30,000	63	72	56	68	57	65	72	76	72	62	60	70	74
Income \$30,000 and over	77	78	71	81	78	88	96	90	87	86	86	86	82

*Revised. †Preliminary.

Jun-11 Jul-11 Aug-11 Sep-11 Oct-11 Nov-11 Dec-11 Jan-12 Feb-12 Mar-12 Apr-12 May-12 Jun-12

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	409	Race		Gender	
		% Non-white	17	% Male	51
Average age	59	% White	83	% Female	49
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	20	% Yes	10	% North	26
% \$20,000 to \$29,999	14	% No	90	% Central	18
% \$30,000 to \$49,999	23			% Southeast	23
% over \$50,000	43			% Southwest	33