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Consumer Confidence

Consumer confidence among Floridians rose in July by three points to 76, nine points higher than the same time last year. Among the five components that make up the index three increased and two decreased. Perceptions of personal finances now compared to a year ago rose five points to 66, the highest since the end of the Great Recession in December 2009. Expectations of personal finances a year from now also rose by six points to 82. Expectations of U.S. economic conditions over the next year fell one point to 72 while expectations of U.S. economic conditions over the next five years fell three points to 77. Perceptions as to whether it is a good time to buy big ticket items rose seven points to 84.

“In July consumers are feeling much better about their personal finances compared to June and really to their circumstances since the recession ended two and a half years ago,” said Chris McCarty, the survey Director. “Some of this can be attributed to a more positive housing picture in some areas of the state where prices are actually rising rather than falling. While gas price declines have been a significant help for consumers over the past few months, they actually increased in July. If gas prices continue to increase consumers will adjust their views on their personal finances in next month’s report. The stock market, though volatile, is up close to four percent over the previous month. These factors combined have led to a more positive perception of personal finances.”

Unemployment in Florida was stalled last month at 8.6 percent, the same as May but only .4 percent higher than U.S. unemployment which is at 8.2 percent. Labor force participation grew slightly compared to the previous month and job growth continued in a variety of categories. Most job losses were in construction and government. There is some possibility of a recovery in some construction jobs as low interest rates are leading to some building. Government jobs will likely continue their decline. As mentioned, the stock market is up for the month and on its way to matching the post-recession high of 13,359 for the Dow Stock Market Index. The median price of a single family home in Florida rose to \$151,000, an increase over the May reading of \$147,000. The median price has increased steadily for several months. While shadow inventory in the form of foreclosed properties or those in pre-foreclosure are still high, many of these are being sold through short sales which are helping to keep prices up. Mortgage rates have declined to record lows, helping spur sales. Gas prices increased in July by nearly 15 cents, but this has not countered other positive news.

“While consumers are more positive about their personal finances they are gloomy about the U.S. economy over the next several years,” said McCarty. “That opinion may be justified. There is increasing media coverage of the “fiscal cliff”, a set of expiring tax breaks, debt ceiling debates and automatic cuts (sequestration) that were negotiated to lift the debt ceiling last August. It is very unlikely that anything will be done prior to the elections in November, leaving very little time for Congress to address all of these issues. Consumers should note that there is no easy fix to these problems and virtually every aspect of American society will be impacted.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
July 31st, 2012
Bureau of Economic and Business Research
University of Florida

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

*Revised. †Preliminary.

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

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	411	Race		Gender	
		% Non-white	18	% Male	51
Average age	57	% White	82	% Female	49
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	21	% Yes	11	% North	23
% \$20,000 to \$29,999	12	% No	89	% Central	18
% \$30,000 to \$49,999	24			% Southeast	24
% over \$50,000	43			% Southwest	35