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### *Consumer Confidence*

Consumer confidence among Floridians was unchanged in August at 77, the index value as for July. Among the five components making up the index, two increased, two decreased and one remained the same. Perceptions of personal finances now compared to a year ago declines to 62 while expectations of personal finances a year from now was unchanged at 85. Expectations of U.S. economic conditions rose one point to 76 while expectations of U.S. economic conditions over the next five years rose four points to 83. Perceptions as to whether it is a good time to buy big-ticket items declined two points to 80.

“Floridians seem somewhat resilient in the face of the economic challenges facing the U.S. and Florida this coming January,” said Chris McCarty, the Survey Director. “Despite the looming financial woes surrounding the ‘fiscal cliff’, Floridians are reasonably optimistic. Both the overall index and several of the components are near post-recession highs. It appears that, at least for the month of August, Floridians are either not aware of the broad set of tax increases and budget cuts set for January, or they are assuming Congress will somehow fix it. This is true for both young and old, and lower under higher income households.”

Although consumer confidence for Floridians is only a point below the post-recession high of 78, it is far below what was considered normal prior to the Great Recession. In the 24 years of data prior to 2008 when confidence fell sharply, more than two thirds of those years were above 90; only two were below 80 (1991 and 1992 during the recession). Since 2008 three of the five years have averaged below 70 and no month has been above 78. While consumers are optimistic compared to other post-recession months, they are still pessimistic when compared to the entire history of the index.

Contributing to the sustained optimism is a steady state of economic news. Housing prices were down \$3,000 from the previous month to \$148,000, but up substantially from a year ago. While off over 40 percent from their peak value in 2006, prices are slowly moving up instead of down. The stock market continues to hold onto recent gains with the Dow still up over 5 percent for the year. Unemployment edged up in July by .2 percent to 8.8, but employment gains have been more broadly based than they had been. Gas prices have been up since July and are now only 30 cents below their recent high of \$3.85 for a regular gallon of gasoline.

“Our expectation is that consumer confidence will go a bit lower as the election approaches,” said McCarty. “A critical point will be the presidential debates beginning in October. The financial problems coming in January will almost certainly be among the questions, and this may be the first opportunity for Floridians to hear how those problems may be addressed.”

**FLORIDA ECONOMIC AND CONSUMER SURVEY†**  
**August 28<sup>th</sup>, 2012**  
**Bureau of Economic and Business Research**  
**University of Florida**

	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12
<b>Consumer Confidence Index</b>													
FLORIDA	61	64	65	66	70	77	76	75	74	78	73	77	77
Men	64	63	67	67	72	78	78	74	78	79	74	80	79
Women	58	65	63	66	67	76	73	76	70	77	72	74	75
Under age 60	65	68	67	70	77	81	80	76	77	83	78	81	80
Aged 60 and over	57	59	63	62	66	73	71	74	71	74	70	74	75
Income under \$30,000	54	58	51	62	65	73	67	68	70	70	68	66	65
Income \$30,000 and over	65	66	71	71	75	82	81	79	78	84	79	82	83
<b>Personal financial situation now compared to a year ago</b>													
FLORIDA	53	49	54	52	56	61	59	62	63	62	61	64	62
Men	54	52	60	55	60	65	61	61	67	65	60	69	65
Women	51	45	48	49	50	57	57	64	58	59	61	59	59
Under age 60	60	51	64	54	63	66	67	67	71	67	69	72	66
Aged 60 and over	46	47	45	49	51	57	53	58	55	58	54	55	59
Income under \$30,000	43	36	35	46	47	45	38	49	48	47	49	51	44
Income \$30,000 and over	60	54	65	57	61	70	69	69	72	71	68	71	73
<b>Personal financial situation expected one year from now</b>													
FLORIDA	73	74	76	80	78	84	81	82	79	86	76	85	85
Men	75	71	76	80	79	82	82	79	83	87	73	89	87
Women	71	78	76	80	78	87	80	85	76	85	80	80	84
Under age 60	85	87	84	89	89	95	95	92	91	102	88	97	97
Aged 60 and over	61	62	68	70	70	73	69	73	69	74	67	73	75
Income under \$30,000	67	70	57	74	75	78	78	78	81	85	72	76	67
Income \$30,000 and over	78	75	85	85	82	90	87	84	80	91	80	91	96
<b>Expected national economic conditions over the next year</b>													
FLORIDA	51	53	55	53	60	75	74	73	73	76	73	75	76
Men	52	51	55	52	61	73	76	71	77	71	75	76	75
Women	50	56	55	54	59	77	71	75	68	82	71	75	79
Under age 60	51	59	55	59	67	78	76	70	72	81	74	78	80
Aged 60 and over	50	47	57	47	55	73	70	75	71	72	74	73	75
Income under \$30,000	46	51	51	57	64	81	69	71	73	73	67	64	65
Income \$30,000 and over	53	52	57	53	60	75	78	76	73	81	80	78	80
<b>Expected national economic conditions over the next 5 years</b>													
FLORIDA	62	68	67	68	73	83	81	79	76	84	80	79	83
Men	65	63	65	64	73	83	82	78	77	84	81	81	85
Women	59	74	69	72	72	82	81	81	76	85	79	77	80
Under age 60	64	71	64	68	79	85	84	73	76	85	77	79	84
Aged 60 and over	58	63	70	67	68	81	78	85	76	84	84	80	83
Income under \$30,000	57	63	57	66	69	84	78	79	72	76	76	69	81
Income \$30,000 and over	64	69	71	70	75	85	84	81	77	91	86	83	83
<b>Is this a good time to buy major household items?</b>													
FLORIDA	68	74	71	78	85	82	83	79	80	82	77	82	80
Men	75	79	77	82	90	86	87	80	88	88	83	84	84
Women	61	70	66	75	77	78	78	77	73	76	69	80	75
Under age 60	67	71	66	78	87	82	78	77	74	80	82	77	75
Aged 60 and over	70	79	77	80	85	82	87	78	86	83	72	87	85
Income under \$30,000	56	68	57	65	72	76	72	62	60	70	72	70	70
Income \$30,000 and over	71	81	78	88	96	90	87	86	86	86	80	85	84
*Revised. †Preliminary.										May-12			
	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

<b>Sample Size</b>	432	<b>Race</b>		<b>Gender</b>	
		% Non-white	21	% Male	55
<b>Average age</b>	58	% White	79	% Female	45
<b>Income Characteristics</b>		<b>Hispanic Origin</b>		<b>Region</b>	
% less than \$20,000	17	% Yes	10	% North	26
% \$20,000 to \$29,999	15	% No	90	% Central	16
% \$30,000 to \$49,999	21			% Southeast	24
% over \$50,000	47			% Southwest	34