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### *Consumer Confidence*

Consumer confidence among Floridians remained near a post-recession high in October falling one point to 79 from an upwardly revised September reading of 80. Three of the five components that make up the index fell while two increased. Perceptions of personal finances now compared to a year ago fell three points to 61 while expectations of personal finances a year from now fell two points to 84. Expectations of U.S. economic conditions over the next year rose three points to 84, the highest since the recession began in December 2007. Expectations of U.S. economic conditions over the next five years rose one point to 85. Perceptions as to whether it is a good time to buy big ticket consumer items fell five points to 80.

“Floridians are still feeling relatively optimistic in October as we head into the final week of the election,” said Chris McCarty, the Survey Director. “The index was revised up a point in September to a post-recession high of 80. Our preliminary October reading of 79 is near that high, although would historically be considered relatively low. There was increased pessimism about personal finances which we attribute to coverage of the debates and perhaps some awareness of the set of automatic budget cuts and tax increases called the ‘fiscal cliff’. Balancing that are expectations about the U.S. economy over the next year, which is at a post-recession high. Much of this may be tied to the elections and may change following the elections given that the state appears evenly divided between the two presidential candidates. One candidate will lose and this may change the outlook of those supporting him.”

Both in Florida and nationally several indicators are positive. Housing is still making gains as new home sales are up and the median price of existing homes though down slightly from August is up 7.8 percent from the previous year. The Federal Reserve’s recent stimulus, called Quantitative Easing 3, ensures relatively low mortgage rates through next year which will continue to support an improving housing market. Several property tax amendments on the November ballot may also stimulate sales, although it is unlikely that many potential homebuyers are holding out for these changes given the favorable conditions for buying a home. The stock market, though volatile is holding onto most of the gains for the year and U.S. economic growth as measured by GDP for the third quarter is higher than expected. The unemployment rate nationally was down to 7.8 percent and Florida’s unemployment fell .1 in September to 8.7 percent. While some of this is due to a decline in the labor force, some jobs are being created, and we have almost certainly turned the corner in terms of job losses. Both housing prices and job losses have bottomed out and now it is a matter of getting back to normal levels. Prior to the recession natural unemployment, the percent unemployed but looking that is expected when people move between jobs, was between 5-5.5%. Due to structural changes in the economy natural unemployment may now be closer to 6%.

“The economy is clearly in recovery,” said McCarty. “However, as we have pointed out in previous releases, the recovery could be derailed if the impending fiscal cliff is not addressed in a sensible and coordinated way. Congress will

have less than two months following the elections to modify the impact. This would come in the form of extensions to some of the tax cuts, most likely the Bush tax cuts, while letting others such as the payroll tax cut expire. Automatic budget cuts brokered in August of last year, known as sequestration, will likely be delayed. If Congress and the White House cannot agree on a solution, the full impact of the fiscal cliff will almost certainly result in a recession at a time when the country and Florida, are recovering from the biggest recession in history.”

**FLORIDA ECONOMIC AND CONSUMER SURVEY†**  
**October 30<sup>th</sup>, 2012**  
**Bureau of Economic and Business Research**  
**University of Florida**

	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12
<b>Consumer Confidence Index</b>													
FLORIDA	65	66	70	77	76	75	74	78	73	77	76	80	79
Men	67	67	72	78	78	74	78	79	74	80	78	79	78
Women	63	66	67	76	73	76	70	77	72	74	74	80	79
Under age 60	67	70	77	81	80	76	77	83	78	81	80	81	83
Aged 60 and over	63	62	66	73	71	74	71	74	70	74	74	80	74
Income under \$30,000	51	62	65	73	67	68	70	70	68	66	66	76	74
Income \$30,000 and over	71	71	75	82	81	79	78	84	79	82	82	83	80
<b>Personal financial situation now compared to a year ago</b>													
FLORIDA	54	52	56	61	59	62	63	62	61	64	61	64	61
Men	60	55	60	65	61	61	67	65	60	69	64	65	66
Women	48	49	50	57	57	64	58	59	61	59	57	63	57
Under age 60	64	54	63	66	67	67	71	67	69	72	65	71	68
Aged 60 and over	45	49	51	57	53	58	55	58	54	55	58	57	54
Income under \$30,000	35	46	47	45	38	49	48	47	49	51	47	50	48
Income \$30,000 and over	65	57	61	70	69	69	72	71	68	71	69	72	65
<b>Personal financial situation expected one year from now</b>													
FLORIDA	76	80	78	84	81	82	79	86	76	85	85	86	84
Men	76	80	79	82	82	79	83	87	73	89	85	81	82
Women	76	80	78	87	80	85	76	85	80	80	84	90	85
Under age 60	84	89	89	95	95	92	91	102	88	97	96	92	93
Aged 60 and over	68	70	70	73	69	73	69	74	67	73	74	80	74
Income under \$30,000	57	74	75	78	78	78	81	85	72	76	68	85	83
Income \$30,000 and over	85	85	82	90	87	84	80	91	80	91	94	87	85
<b>Expected national economic conditions over the next year</b>													
FLORIDA	55	53	60	75	74	73	73	76	73	75	75	81	84
Men	55	52	61	73	76	71	77	71	75	76	74	77	83
Women	55	54	59	77	71	75	68	82	71	75	76	84	85
Under age 60	55	59	67	78	76	70	72	81	74	78	78	81	86
Aged 60 and over	57	47	55	73	70	75	71	72	74	73	73	83	82
Income under \$30,000	51	57	64	81	69	71	73	73	67	64	65	82	80
Income \$30,000 and over	57	53	60	75	78	76	73	81	80	78	78	84	82
<b>Expected national economic conditions over the next 5 years</b>													
FLORIDA	67	68	73	83	81	79	76	84	80	79	82	84	85
Men	65	64	73	83	82	78	77	84	81	81	85	83	81
Women	69	72	72	82	81	81	76	85	79	77	78	85	88
Under age 60	64	68	79	85	84	73	76	85	77	79	83	77	86
Aged 60 and over	70	67	68	81	78	85	76	84	84	80	81	93	83
Income under \$30,000	57	66	69	84	78	79	72	76	76	69	80	84	85
Income \$30,000 and over	71	70	75	85	84	81	77	91	86	83	83	84	84
<b>Is this a good time to buy major household items?</b>													
FLORIDA	71	78	85	82	83	79	80	82	77	82	80	85	80
Men	77	82	90	86	87	80	88	88	83	84	84	92	81
Women	66	75	77	78	78	77	73	76	69	80	75	79	79
Under age 60	66	78	87	82	78	77	74	80	82	77	75	83	84
Aged 60 and over	77	80	85	82	87	78	86	83	72	87	71	87	78
Income under \$30,000	57	65	72	76	72	62	60	70	72	70	70	76	76
Income \$30,000 and over	78	88	96	90	87	86	86	86	80	85	84	88	83

\*Revised. †Preliminary.

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

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

<b>Sample Size</b>	412	<b>Race</b>		<b>Gender</b>	
		% Non-white	15	% Male	49
<b>Average age</b>	60	% White	85	% Female	51
<b>Income Characteristics</b>		<b>Hispanic Origin</b>		<b>Region</b>	
% less than \$20,000	17	% Yes	10	% North	25
% \$20,000 to \$29,999	13	% No	90	% Central	19
% \$30,000 to \$49,999	20			% Southeast	25
% over \$50,000	50			% Southwest	31