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Consumer Sentiment

Consumer sentiment among Floridians increased in July to 93.7, according to the latest University of Florida consumer survey.

This reading is four points higher than June's revised figure of 89.7, turning upward after three straight months of declines and marking the second-highest reading over the past year.

Of the five components that make up the index, four increased and one decreased.

Perception of one's personal financial situation now compared with a year ago increased three points, from 83.5 to 86.5. Opinions as to whether now is a good time to buy a big-ticket item like an appliance or car rose by 7.4 points, from 96.5 to 103.9.

"The upturn in these two components suggests that Floridians' opinions about current economic conditions have improved considerably despite the uncertainty experienced recently due to the U.S. presidential campaigns and Britain's decision to leave the European Union," said Hector H. Sandoval, director of the Economic Analysis Program at UF's Bureau of Economic and Business Research (BEBR).

"Furthermore, these perceptions are also a consequence of the economic recovery experienced in Florida, particularly in the labor market, despite the weak wage growth within the state," Sandoval said.

Expectations of U.S. economic conditions over the next year rose 3.6 points to 87.4, while views of U.S. economic conditions over the next five years decreased slightly by 1.2 points to 81.9.

Expectations of personal finance a year from now showed the greatest increase, from 101.4 to 109, a 7.6-point jump from last month.

Sandoval said the increases in both the expectation of personal finance a year from now and whether now is a good time to buy a big-ticket item together account for around two-thirds of the observed change in consumer sentiment between June and July. These perceptions are shared by almost all Floridians independent of their age, gender or income level.

While the national unemployment rate rose slightly in June from 4.7 to 4.9 percent, the unemployment rate in Florida remained unchanged at 4.7 percent. Moreover, the number of jobs added in June statewide was 244,500, a 3 percent increase compared with last year. The industry sector gaining the most jobs in Florida was professional and business services, followed by education and health services, leisure and hospitality, and transportation and utilities.

Many experts think that both the U.S. and Florida have experienced an important economic recovery: As Gov. Rick Scott recently told an audience at Port Tampa Bay, “Our annual job growth rate has outpaced the nation for more than 50 consecutive months.”

Sandoval said, “The optimistic short-run expectations about the U.S. economy combined with the favorable local economic climate will likely have a positive effect on the Florida economy and consumer sentiment in the following months, although some fluctuations are expected as a consequence of the uncertainty that typically arises from the presidential campaigns.”

BEBR Director Christopher McCarty observed, “Over the past month, stock prices have hit record highs, housing prices in Florida have remained strong, interest rates are low and gas prices continue to decline given oversupply. From the viewpoint of many Florida consumers, the economy is looking up. There are still concerns at the national level by persistently low inflation, tepid growth in GDP, low labor force participation and low productivity. However, the U.S. economy is in far better shape than most countries and is therefore seen as a safe location for investment.”

Conducted July 1-24, the UF study reflects the responses of 401 individuals who were reached on cellphones, representing a demographic cross-section of Florida.

The index used by UF researchers is benchmarked to 1966, which means a value of 100 represents the same level of confidence for that year. The lowest index possible is a 2, the highest is 150.

Details of this month’s survey can be found at <http://www.bibr.ufl.edu/csi-data>

FLORIDA ECONOMIC AND CONSUMER SURVEY†
July 29, 2016
Bureau of Economic and Business Research
University of Florida

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
Consumer Sentiment Index													
FLORIDA	90.5	90.7	89.0	89.2	91.1	91.6	92.4	91.8	94.1	91.0	90.0	89.7	93.7
Men	92.4	95.9	91.5	90.3	93.7	96.6	94.7	93.9	96.9	95.5	91.2	93.6	97.6
Women	88.7	85.9	86.5	88.2	88.7	86.9	90.1	89.8	91.6	86.7	88.8	85.9	90.0
Under age 60	93.8	93.1	93.4	93.8	93.4	96.3	96.4	97.6	96.1	95.5	95.2	93.2	96.4
Aged 60 and over	78.7	84.9	77.0	78.2	85.0	79.4	80.9	78.2	88.9	80.0	77.5	79.5	83.1
Income under \$50,000	84.4	85.8	87.8	85.3	89.4	87.3	91.8	89.7	91.7	87.1	85.6	84.2	87.1
Income \$50,000 and over	96.9	98.2	92.1	95.1	97.0	99.3	94.8	97.4	98.8	95.1	95.9	97.0	100.5
Personal financial situation now compared to a year ago													
FLORIDA	85.9	82.6	81.2	79.8	86.9	80.7	83.4	83.9	84.2	80.4	85.5	83.5	86.5
Men	87.8	89.7	86.3	83.1	88.7	88.0	84.6	92.7	89.5	85.1	89.4	85.7	94.3
Women	84.1	76.0	76.3	76.7	85.3	73.9	82.4	75.7	79.3	76.0	81.8	81.4	79.0
Under age 60	93.4	87.0	86.3	85.8	91.7	90.2	87.7	92.6	89.1	88.9	95.9	91.3	93.6
Aged 60 and over	59.0	71.3	66.3	64.5	72.4	57.9	71.6	62.7	70.6	59.4	58.5	61.8	62.6
Income under \$50,000	71.2	71.8	75.0	70.5	77.6	72.1	78.8	77.8	76.4	71.3	78.2	72.3	78.1
Income \$50,000 and over	100.8	96.4	88.4	91.0	101.1	91.7	89.6	94.5	94.4	89.0	92.6	97.7	94.9
Personal financial situation expected one year from now													
FLORIDA	101.8	100.4	97.0	98.4	98.5	98.5	104.0	99.4	105.7	101.2	102.5	101.4	109.0
Men	102.4	100.2	97.6	98.2	102.9	104.8	103.3	102.5	105.3	103.6	105.2	103.9	109.4
Women	101.2	100.6	96.4	98.5	94.5	92.6	104.7	96.5	105.9	98.9	99.9	99.1	108.6
Under age 60	106.5	106.7	106.8	108.7	105.0	107.0	112.2	108.7	112.2	110.5	111.0	109.3	117.6
Aged 60 and over	84.7	80.0	72.5	72.7	79.9	77.6	81.6	77.5	86.8	77.2	82.4	80.0	80.6
Income under \$50,000	99.7	102.3	98.7	96.3	100.6	100.1	106.8	98.7	109.8	104.2	101.7	99.9	104.9
Income \$50,000 and over	103.4	101.8	95.9	102.7	103.5	100.6	104.2	104.1	106.5	101.8	106.1	104.4	112.4
Expected national economic conditions over the next year													
FLORIDA	83.9	88.9	85.3	84.8	84.8	85.9	85.0	87.3	89.5	85.6	82.9	83.8	87.4
Men	85.4	95.8	83.9	83.3	88.1	89.4	85.9	86.3	95.9	93.7	82.8	88.0	90.4
Women	82.5	82.6	86.6	86.3	81.8	82.6	84.2	88.2	83.6	78.2	83.0	79.7	84.5
Under age 60	85.7	90.6	89.0	87.3	86.0	89.0	88.9	92.2	91.1	88.6	84.7	86.6	89.6
Aged 60 and over	77.5	86.8	75.6	79.0	81.5	76.8	74.6	76.2	85.6	79.0	78.7	74.0	77.9
Income under \$50,000	78.8	82.5	88.1	82.4	88.2	81.9	89.4	89.5	89.4	83.2	79.1	81.9	79.9
Income \$50,000 and over	88.7	97.6	82.0	86.9	85.2	91.0	83.4	87.5	91.2	88.2	88.3	88.2	96.3
Expected national economic conditions over the next 5 years													
FLORIDA	83.2	88.4	85.2	86.2	86.7	90.8	88.2	87.3	90.0	86.2	84.9	83.1	81.9
Men	84.3	97.1	87.3	85.2	88.9	93.4	94.2	88.5	92.7	92.2	84.5	88.0	86.2
Women	82.2	80.3	83.2	87.2	84.7	88.5	82.7	86.1	87.5	80.6	85.3	78.4	77.7
Under age 60	84.8	88.7	87.9	89.1	87.5	93.3	91.9	90.9	89.8	88.1	87.8	81.7	79.7
Aged 60 and over	79.5	89.5	78.4	80.7	85.7	83.2	77.8	79.7	91.7	82.9	78.8	87.0	85.4
Income under \$50,000	80.1	83.4	84.6	83.9	86.4	87.5	88.5	83.7	87.6	80.9	80.7	80.2	73.0
Income \$50,000 and over	85.5	98.3	88.8	90.2	89.7	98.6	88.5	96.3	93.6	89.4	89.3	86.7	91.3
Is this a good time to buy major household items?													
FLORIDA	97.6	93.2	96.2	96.8	98.7	101.9	101.1	101.1	101.4	101.4	94.2	96.5	103.9
Men	102.1	96.6	102.7	101.6	100.1	107.5	105.6	99.8	101.0	103.1	94.3	102.3	107.8
Women	93.4	90.1	90.1	92.2	97.4	96.8	96.9	102.4	101.7	99.9	94.2	90.9	100.1
Under age 60	98.5	92.7	97.1	97.9	96.8	101.9	101.5	103.7	98.4	101.4	96.8	97.4	101.6
Aged 60 and over	93.1	97.0	92.3	94.0	105.2	101.7	99.1	94.7	110.1	101.2	89.2	94.7	109.1
Income under \$50,000	92.2	89.0	92.5	93.2	94.3	94.9	95.2	98.8	95.2	95.7	88.1	87.0	99.5
Income \$50,000 and over	105.8	96.9	105.4	104.6	105.5	114.6	108.4	104.8	108.5	106.9	103.1	108.0	107.7
*Revised. †Preliminary.	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	401	Race		Gender	
		% Non-white	30	% Male	57
Average age	45	% White	70	% Female	43
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	20	% Yes	20	% North	25
% \$20,000 to \$29,999	9	% No	80	% Central	23
% \$30,000 to \$49,999	21			% Southeast	31
% over \$50,000	50			% Southwest	21

Data Collection Dates: July 1 to 24, 2016