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Consumer Confidence

Consumer confidence among Floridians surged in January, up seven points to 77 from a revised December reading of 70. Four of the five components that make up the index increased and one decreased. Perceptions of personal finances now compared to a year ago rose four points to 60, the highest reading since March 2008 when the U.S. economy started to unravel. Expectations of personal finances a year from now rose eight points to 86. Perceptions of U.S. economic conditions over the next year rose dramatically by fourteen points to 74, while expectations of U.S. economic conditions over the next five years rose ten points to 83. Perceptions as to whether it is a good time to buy big ticket items fell four points to 81. The increases were across income and age groups with the exception of a slight decline in perceptions of current personal finances for lower income households. There was virtually no difference in confidence among political parties suggesting that the increase is likely due to perceptions of the economy rather than anticipation of outcomes to the elections in November.

“Consumer confidence is now back to the level it was in January 2011,” said Chris McCarty the Survey Director. “We are beginning the year with the same pattern as last year where there were relatively steady increases in confidence from the end of the summer with a surge to 77 in January 2011. This was followed by seven months of declines with the low of 61 in August 2011 when Congress debated the debt ceiling”

Consumer confidence nationally as measured by the University of Michigan also registered a large increase from 69.9 in December to 75 in January. Unemployment in Florida continues to decline, partly due to a decline in the labor force, but also due to employment gains in trade, transportation and utilities. These gains may be related to adjustments the Bureau of Labor Statistics uses to remove seasonal fluctuations. The employment report for January will help identify if this is indeed a trend. The median price of a single family home increased in December to \$134,300 up more than \$4,000 from the month before. The stock market is near a post-recession high. Housing and stock market investments are the major asset sources for most households. Concrete plans to modify Social Security and Medicare have been shelved, at least temporarily, which is a relief to many seniors. While gas prices have increased nearly 20 cents a gallon over the past month, inflation overall continues to be low. Interest rates are at near record lows and the Federal Reserve has announced it will do what it can to keep them low for the next two years.

“While many aspects of the economy are better this year, it remains to be seen whether this level of confidence will be sustained,” said McCarty. “The biggest threat to the U.S. economy, and therefore Florida, is the recession in Europe which would affect Floridians primarily as decreased demand for Florida tourism, decreased demand for houses from foreign investors, and the stock market portfolios of workers and retirees whose investments would include companies with exposure to much of Europe. However, barring a very negative outcome to the turmoil over European debt, this pattern of confidence, if sustained, bodes well for Florida.”

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

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12
Consumer Confidence Index													
FLORIDA	77	76	72	68	68	66	67	61	64	65	66	70	77
Men	80	76	74	71	72	63	66	64	63	67	67	72	77
Women	74	77	69	66	65	70	67	58	65	63	66	67	77
Under age 60	80	81	75	73	72	74	69	65	68	67	70	77	82
Aged 60 and over	74	73	69	64	65	61	66	57	59	63	62	66	73
Income under \$30,000	71	66	61	59	58	61	59	54	58	51	62	65	74
Income \$30,000 and over	80	80	76	72	73	69	72	65	66	71	71	75	81
Personal financial situation now compared to a year ago													
FLORIDA	58	56	58	56	52	54	58	53	49	54	52	56	60
Men	59	59	61	62	53	53	57	54	52	60	55	60	66
Women	57	53	54	51	51	56	58	51	45	48	49	50	54
Under age 60	64	59	59	63	57	63	62	60	51	64	54	63	65
Aged 60 and over	53	54	56	50	49	47	53	46	47	45	49	51	56
Income under \$30,000	44	36	41	43	38	35	40	43	36	35	46	47	45
Income \$30,000 and over	65	64	62	62	55	62	67	60	54	65	57	61	69
Personal financial situation expected one year from now													
FLORIDA	84	81	80	73	75	74	75	73	74	76	80	78	86
Men	86	81	82	76	80	69	76	75	71	76	80	79	84
Women	82	81	77	69	70	80	74	71	78	76	80	78	88
Under age 60	97	95	97	84	88	92	87	85	87	84	89	89	98
Aged 60 and over	74	68	65	59	65	60	63	61	62	68	70	70	73
Income under \$30,000	84	83	76	68	64	73	60	67	70	57	74	75	80
Income \$30,000 and over	85	83	82	76	82	77	85	78	75	85	85	82	91
Expected national economic conditions over the next year													
FLORIDA	77	77	67	66	68	60	57	51	53	55	53	60	74
Men	78	76	69	66	69	55	53	52	51	55	52	61	69
Women	75	79	66	65	66	67	61	50	56	55	54	59	79
Under age 60	79	83	70	70	74	70	57	51	59	55	59	67	79
Aged 60 and over	76	72	64	62	63	54	58	50	47	57	47	55	72
Income under \$30,000	74	68	57	53	54	64	52	46	51	51	57	64	84
Income \$30,000 and over	77	80	72	69	75	59	60	53	52	57	53	60	72
Expected national economic conditions over the next 5 years													
FLORIDA	81	80	74	72	73	70	69	62	68	67	68	73	83
Men	86	77	76	74	77	61	65	65	63	65	64	73	82
Women	76	84	71	70	68	81	72	59	74	69	72	72	85
Under age 60	82	84	73	74	75	72	66	64	71	64	68	79	87
Aged 60 and over	80	76	73	72	70	69	74	58	63	70	67	68	80
Income under \$30,000	77	72	64	67	71	72	69	57	63	57	66	69	84
Income \$30,000 and over	81	81	78	75	77	69	70	64	69	71	70	75	86
Is this a good time to buy major household items?													
FLORIDA	85	88	80	75	74	72	75	68	74	71	78	85	81
Men	92	89	82	78	79	75	78	75	79	77	82	90	83
Women	78	86	78	72	68	68	72	61	70	66	75	77	79
Under age 60	79	83	74	73	67	71	72	67	71	66	78	87	79
Aged 60 and over	90	92	84	79	79	72	80	70	79	77	80	85	83
Income under \$30,000	75	70	63	66	64	63	72	56	68	57	65	72	78
Income \$30,000 and over	89	91	84	76	76	77	78	71	81	78	88	96	85

*Revised. †Preliminary.

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12
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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	420	Race		Gender	
		% Non-white	17	% Male	53
Average age	61	% White	83	% Female	47
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	21	% Yes	7	% North	23
% \$20,000 to \$29,999	12	% No	93	% Central	19
% \$30,000 to \$49,999	20			% Southeast	21
% over \$50,000	47			% Southwest	37