

From:
UF Survey Research Center
Bureau of Economic and Business Research
Warrington College of Business Administration
University of Florida
P. O. Box 117145, Gainesville, Florida 32611-7145

Contact:
Chris McCarty, Survey Director
Office: (352) 392-2908 ext. 100

Consumer Confidence

Consumer confidence among Floridians surged six points in April to 71. All five of the components the survey measures increased. Perceptions of personal finances now compared to a year ago rose two points to 44 while expectations about personal finances a year from now rose five points to 85. Perceptions of U.S. economic conditions over the next year rose nine points to 69 while perceptions of U.S. economic conditions over the next five years rose three points to 82. Perceptions as to whether it is a good time to buy big ticket consumer items such as cars and appliances rose fifteen points to 77.

“The size of the increase comes as somewhat of a surprise,” said Chris McCarty, the Survey Director. “We had expected confidence among Florida’s consumers to move up and down in a fairly narrow window from the low to the upper 60s. There are certainly some signs that economic conditions may be improving, such as a potential bottom in house price declines. However there are still many negatives, such as the economy continuing to shed jobs, particularly here in Florida. At 9.7 percent Florida unemployment has not been this high since 1976. However, in balance consumers seem to have absorbed most of the bad news and are at least not seeing things getting much worse. Perhaps we really have seen the bottom in terms of Florida consumer confidence and that was back in June of last year.”

There is still enormous uncertainty surrounding the recovery. The massive interventions on the part of the federal government, the Federal Reserve and governments around the world has had obvious effects, although there is debate whether the effects are all positive. Stock markets around the world have experienced a recent rally that some economic pundits characterize as the beginnings of a recovery. However, like consumers, bad news can turn that rally around very quickly. Were housing prices nationally begin to stabilize; this would help establish the value of some of the toxic assets held by banks and at least indicate how deeply this recession has hurt the global economy.

“Consumers seem to characterize the economy by those events both in their personal lives and in the news that are changing the most, whether those be good or bad,” said McCarty. “There has not been much in the news about more very large bailouts, at least not anything larger than what has already been done. There have also not been many notable bankruptcies of very large companies, although there is a strong possibility that GM and Chrysler may end up having to declare. Were that to happen it would likely cause at least a temporary decrease in consumer confidence, even here in Florida. Barring something of that magnitude, consumer confidence may continue to improve as various sectors of the economy begin to recover. For Floridians specifically the next big news will probably be the Florida state budget and the effects it will have on taxpayers who stand to pay more in various fees, and those who depend on state revenue for their employment. The effects of this may not be known well into May.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†

April 24, 2009

Bureau of Economic and Business Research

University of Florida

	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
Consumer Confidence Index													
FLORIDA	66	63	59	61	67	68	63	62	67	66	62	65	71
Men	67	70	61	65	72	71	67	64	69	67	61	63	74
Women	65	59	57	58	63	67	58	60	65	65	62	66	70
Under age 60	67	64	58	61	65	68	64	64	67	67	61	67	70
Aged 60 and over	64	63	60	60	70	68	62	61	67	65	62	62	72
Income under \$30,000	60	58	56	52	69	61	60	61	62	64	63	63	67
Income \$30,000 and over	67	66	59	62	66	68	65	63	70	68	61	65	74
Personal financial situation now compared to a year ago													
FLORIDA	59	55	51	46	51	49	41	40	39	43	41	42	44
Men	61	68	53	53	56	50	43	46	42	45	43	40	51
Women	58	47	50	41	47	49	38	34	36	40	39	43	39
Under age 60	63	56	56	52	52	50	46	43	40	47	40	40	43
Aged 60 and over	54	56	46	38	47	48	35	37	38	37	41	42	45
Income under \$30,000	40	43	35	34	40	30	38	37	24	29	35	34	33
Income \$30,000 and over	64	61	55	51	52	52	45	41	43	49	44	43	50
Personal financial situation expected one year from now													
FLORIDA	79	77	73	80	82	85	86	81	87	83	79	80	85
Men	80	82	72	84	83	84	88	83	88	87	77	79	84
Women	78	73	73	77	81	87	83	78	86	79	82	81	85
Under age 60	89	84	84	85	86	95	87	89	93	92	88	88	87
Aged 60 and over	65	65	57	68	77	72	83	72	78	73	70	73	82
Income under \$30,000	56	70	68	67	79	82	80	76	90	81	81	85	80
Income \$30,000 and over	85	78	74	81	84	86	88	84	90	85	81	80	87
Expected national economic conditions over the next year													
FLORIDA	52	51	51	51	64	65	57	55	62	55	49	60	69
Men	55	54	54	51	69	68	61	47	62	53	41	53	72
Women	50	48	48	51	61	62	53	63	62	58	56	66	67
Under age 60	49	49	47	48	59	63	56	58	58	55	48	61	67
Aged 60 and over	55	53	55	55	73	65	59	52	65	56	49	58	72
Income under \$30,000	48	50	58	46	75	69	57	64	62	70	60	66	69
Income \$30,000 and over	51	52	48	50	60	60	58	52	62	52	44	57	70
Expected national economic conditions over the next 5 years													
FLORIDA	72	70	69	68	80	77	77	73	78	75	67	79	82
Men	71	75	73	72	88	78	82	73	80	70	66	75	83
Women	73	66	66	66	75	76	72	73	77	80	68	82	81
Under age 60	69	69	64	65	76	76	76	75	77	73	64	82	78
Aged 60 and over	76	71	76	73	88	78	79	71	80	78	70	75	51
Income under \$30,000	46	69	78	58	84	78	79	76	85	79	77	79	88
Income \$30,000 and over	71	72	67	70	78	73	77	72	76	74	62	75	80
Is this a good time to buy major household items?													
FLORIDA	67	64	50	59	57	66	54	62	71	74	72	62	77
Men	69	71	51	66	65	73	62	70	74	80	79	69	80
Women	66	59	50	55	52	59	46	54	67	68	67	57	75
Under age 60	65	60	41	55	51	58	55	53	69	67	67	66	77
Aged 60 and over	68	71	65	66	65	74	54	73	73	83	78	59	60
Income under \$30,000	56	60	42	54	64	47	57	53	49	62	61	50	66
Income \$30,000 and over	64	64	50	58	55	69	58	66	78	79	76	67	83

*Revised. †Preliminary.

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	406	Race		Gender	
		% Non-white	14	% Male	45
Average age	58	% White	86	% Female	55
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	18	% Yes	11	% North	23
% \$20,000 to \$29,999	15	% No	89	% Central	19
% \$30,000 to \$49,999	21			% Southeast	24
% over \$50,000	46			% Southwest	34