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Consumer Confidence

Consumer confidence among Floridians spiked unexpectedly in April to 77, a six point increase over the revised March reading of 71. Among the five components making up the index, four rose and one stayed the same. Perceptions of personal finances now compared to a year ago was unchanged at 55, while expectations of personal finances a year from now rose two points to 84. Expectations of U.S. economic conditions over the next year rose ten points to 80 while expectations of U.S. economic conditions over the next five years rose six points to 79. The biggest jump was in the component measuring perceptions as to whether it is a good time to buy big-ticket consumer items. That component rose fourteen points to 87.

“Florida’s consumers have been full of surprises the past several months” said Chris McCarty, the Survey Director. “Much like the reading for January, this rise in confidence was completely unexpected. Last month Florida broke its all time record for unemployment as 12.3 percent. Yet Floridians are far more optimistic this month than last. Most of the increase is due to the dramatic rise in perceptions of buying conditions. We believe this is a combined effect from the appliance rebate which pumped \$17.5 million into the Florida economy in a matter of days, as well as the tax rebate for both first-time homebuyers and those who have been in a home for the past five years. Those rebates are set to run out at the end of this month and many consumers are rushing to buy homes to qualify for the rebate. The effect of both rebates can be seen in increased sales revenues, and increased sales of existing and new homes. Sales tax revenue going into the General Fund were about 1.1% over estimates for February, and March sales will likely show a similar trend. The big question is what happens when the rebates run out in May and the stimulus dollars are spent.”

Consumers were also more optimistic than last month about both short and long term economic conditions in the U.S. This reflects a stock market that remains at relatively high levels despite some difficult news, including the possibility that Greece will not get the help it needs to solve its debt problems and charges by the SEC against Goldman Sachs. Although Florida unemployment is still high, unemployment nationally has remained at 9.7 since January. National retail sales have been unusually strong since the beginning of the year, with particularly strong showings from clothing, electronics and this month from car sales. The overall savings rate was down to 3.1 percent in February, less than half of the 6.4 percent reached in May of last year.

Consumers are clearly optimistic that the U.S. is in recovery and that the economy will at least not get any worse. Therefore some of the spending may be pent up demand from households that were cautious about spending when the recession was at its height and when job losses were on the rise. Although long term unemployment remains a serious problem, in the near term it appears that layoffs have mostly stopped.

FLORIDA ECONOMIC AND CONSUMER SURVEY†

April 22nd, 2010

Bureau of Economic and Business Research

University of Florida

	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10
Consumer Confidence Index													
FLORIDA	72	71	69	67	71	72	72	69	69	74	73	71	77
Men	73	73	69	67	74	74	76	70	69	77	71	72	76
Women	70	70	69	66	69	70	69	69	68	71	74	68	78
Under age 60	71	72	70	71	72	76	71	71	68	74	77	73	80
Aged 60 and over	72	70	69	63	70	68	73	67	70	74	67	68	73
Income under \$30,000	67	64	58	63	68	67	67	61	64	67	67	65	70
Income \$30,000 and over	74	75	74	71	73	76	74	74	71	78	76	74	80
Personal financial situation now compared to a year ago													
FLORIDA	44	41	46	43	44	42	44	49	45	53	53	55	55
Men	47	44	47	44	46	43	48	50	47	56	51	59	55
Women	42	38	45	43	41	42	41	49	43	49	56	49	56
Under age 60	44	41	45	45	44	43	39	48	45	53	59	57	57
Aged 60 and over	44	41	48	42	43	41	51	51	45	53	47	52	54
Income under \$30,000	36	31	29	34	39	35	30	34	32	39	38	45	34
Income \$30,000 and over	48	46	53	48	45	46	47	55	52	59	62	61	63
Personal financial situation expected one year from now													
FLORIDA	85	90	84	79	84	81	82	82	80	86	83	82	84
Men	86	88	84	75	84	90	82	80	80	88	84	83	82
Women	84	91	84	83	85	73	82	84	81	83	82	81	86
Under age 60	88	94	93	92	94	95	91	95	90	94	95	91	96
Aged 60 and over	82	84	74	66	72	66	71	70	72	77	68	71	68
Income under \$30,000	81	87	71	78	81	73	79	81	76	84	75	72	89
Income \$30,000 and over	88	93	90	82	88	88	83	85	84	91	88	87	85
Expected national economic conditions over the next year													
FLORIDA	69	72	66	63	72	74	71	65	67	72	68	70	80
Men	70	72	62	62	75	69	72	65	65	73	65	70	79
Women	68	72	69	64	70	78	69	64	70	72	70	69	81
Under age 60	65	72	66	69	72	75	68	67	66	71	71	71	85
Aged 60 and over	73	71	66	58	74	72	74	63	70	74	62	69	75
Income under \$30,000	68	74	53	62	70	78	72	61	72	69	69	59	79
Income \$30,000 and over	70	74	71	67	74	73	73	67	68	73	67	73	82
Expected national economic conditions over the next 5 years													
FLORIDA	82	80	81	72	81	84	80	72	74	79	76	73	79
Men	82	77	77	72	79	81	81	71	73	80	72	72	80
Women	83	81	84	73	82	86	80	72	76	78	80	75	79
Under age 60	78	79	81	72	79	86	78	71	69	77	78	75	84
Aged 60 and over	86	79	82	73	83	82	84	71	80	82	74	72	74
Income under \$30,000	85	73	73	70	89	84	81	63	72	74	78	73	70
Income \$30,000 and over	82	82	86	75	78	84	81	77	75	81	77	74	83
Is this a good time to buy major household items?													
FLORIDA	78	76	68	77	75	80	82	78	75	80	82	73	87
Men	82	84	75	84	86	89	94	83	81	88	83	77	84
Women	74	67	62	69	65	72	72	74	70	73	82	67	89
Under age 60	80	76	65	77	73	80	78	76	69	74	82	71	77
Aged 60 and over	75	73	74	77	79	82	87	76	83	88	83	76	94
Income under \$30,000	66	57	63	71	58	66	75	67	71	68	77	75	77
Income \$30,000 and over	84	80	72	81	82	89	87	84	78	86	86	77	87

*Revised. †Preliminary.

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	400	Race		Gender	
		% Non-white	13	% Male	58
Average age	58	% White	87	% Female	42
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	14	% Yes	4	% North	25
% \$20,000 to \$29,999	12	% No	96	% Central	18
% \$30,000 to \$49,999	23			% Southeast	24
% over \$50,000	51			% Southwest	33