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Consumer Confidence

Consumer confidence among Floridians fell sharply in May, down seven points to 71. All five of the index components registered declines. Perceptions of personal finances now compared to a year ago fell one point to 56 while expectations of personal finances over the next year fell four points to 80. Expectations of U.S. economic conditions over the next year fell sharply from 82 in April to 68 in May. Expectations of U.S. economic conditions over the next five years fell six points to 73. Perceptions as to whether it is a good time to buy big-ticket items fell eight points to 79.

“We expected a big decline in consumer confidence in May as two major stimulus programs ran out,” said Chris McCarty, the Survey Director. “Last month’s index was largely elevated by the question asking consumers if it is a good time to buy big ticket items. With the tax rebates for homebuyers running out at the end of April, it was a good time for a major purchase. The energy efficient appliance rebate added to perceptions of good buying opportunities in April. Without that stimulus that particular component fell, although not to pre-April levels. The largest drop was in perceptions of short term economic conditions which fell 14 points. This probably reflects declines in the stock market and to some extent interpretations by consumers of the effect of the Gulf oil spill. It is not unusual for major events making their way into that particular component.”

Florida’s median price for a single family home has lost some value over the past few months, but sales overall are higher than they were last year. There is much uncertainty over what happens in housing when the stimulus money is withdrawn. The Federal Reserve is no longer buying mortgage back securities and is debating when to start selling them. This will likely translate into higher interest rates for mortgages over time. There are no plans to extend the housing tax rebates. Many economic pundits have raised the questions as to how much of the increased sales and prices are due to this stimulus. We may not know this until the fall as the spring home-buying season has largely passed. Florida’s unemployment rate improved in April to 12 percent, down .3 percent from March. It remains to be seen how much of that decline is due to the large number of temporary Census workers which would show up in April’s numbers. The Census was set to hire approximately 89,000 employees, most for no more than three months. This is a substantial number and could account for a large part of the improvement in employment.

“We expect Florida’s consumer confidence to remain in the low 70s or lower for the next several months, unless the effects of the oil spill show a direct effect on Florida, the stock market continues to decline, or Florida has a bad hurricane season.” said McCarty.

FLORIDA ECONOMIC AND CONSUMER SURVEY†
May 25th, 2010
Bureau of Economic and Business Research
University of Florida

	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	April-10	May-10
Consumer Confidence Index													
FLORIDA	71	69	67	71	72	72	69	69	74	73	71	78	71
Men	73	69	67	74	74	76	70	69	77	71	72	78	75
Women	70	69	66	69	70	69	69	68	71	74	68	78	67
Under age 60	72	70	71	72	76	71	71	68	74	77	73	81	73
Aged 60 and over	70	69	63	70	68	73	67	70	74	67	68	73	69
Income under \$30,000	64	58	63	68	67	67	61	64	67	67	65	70	57
Income \$30,000 and over	75	74	71	73	76	74	74	71	78	76	74	82	77
Personal financial situation now compared to a year ago													
FLORIDA	41	46	43	44	42	44	49	45	53	53	55	57	56
Men	44	47	44	46	43	48	50	47	56	51	59	57	63
Women	38	45	43	41	42	41	49	43	49	56	49	57	49
Under age 60	41	45	45	44	43	39	48	45	53	59	57	59	66
Aged 60 and over	41	48	42	43	41	51	51	45	53	47	52	55	46
Income under \$30,000	31	29	34	39	35	30	34	32	39	38	45	34	30
Income \$30,000 and over	46	53	48	45	46	47	55	52	59	62	61	65	64
Personal financial situation expected one year from now													
FLORIDA	90	84	79	84	81	82	82	80	86	83	82	84	80
Men	88	84	75	84	90	82	80	80	88	84	83	82	85
Women	91	84	83	85	73	82	84	81	83	82	81	86	75
Under age 60	94	93	92	94	95	91	95	90	94	95	91	97	92
Aged 60 and over	84	74	66	72	66	71	70	72	77	68	71	68	67
Income under \$30,000	87	71	78	81	73	79	81	76	84	75	72	90	64
Income \$30,000 and over	93	90	82	88	88	83	85	84	91	88	87	86	88
Expected national economic conditions over the next year													
FLORIDA	72	66	63	72	74	71	65	67	72	68	70	82	68
Men	72	62	62	75	69	72	65	65	73	65	70	83	73
Women	72	69	64	70	78	69	64	70	72	70	69	80	63
Under age 60	72	66	69	72	75	68	67	66	71	71	71	86	68
Aged 60 and over	71	66	58	74	72	74	63	70	74	62	69	78	67
Income under \$30,000	74	53	62	70	78	72	61	72	69	69	59	75	51
Income \$30,000 and over	74	71	67	74	73	73	67	68	73	67	73	88	75
Expected national economic conditions over the next 5 years													
FLORIDA	80	81	72	81	84	80	72	74	79	76	73	79	73
Men	77	77	72	79	81	81	71	73	80	72	72	81	71
Women	81	84	73	82	86	80	72	76	78	80	75	77	74
Under age 60	79	81	72	79	86	78	71	69	77	78	75	83	72
Aged 60 and over	79	82	73	83	82	84	71	80	82	74	72	75	73
Income under \$30,000	73	73	70	89	84	81	63	72	74	78	73	69	65
Income \$30,000 and over	82	86	75	78	84	81	77	75	81	77	74	85	75
Is this a good time to buy major household items?													
FLORIDA	76	68	77	75	80	82	78	75	80	82	73	87	79
Men	84	75	84	86	89	94	83	81	88	83	77	85	85
Women	67	62	69	65	72	72	74	70	73	82	67	89	73
Under age 60	76	65	77	73	80	78	76	69	74	82	71	81	69
Aged 60 and over	73	74	77	79	82	87	76	83	88	83	76	92	90
Income under \$30,000	57	63	71	58	66	75	67	71	68	77	75	79	74
Income \$30,000 and over	80	72	81	82	89	87	84	78	86	86	77	86	80

*Revised. †Preliminary.

May-09
Jun-09
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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	402	Race		Gender	
		% Non-white	17	% Male	51
Average age	56	% White	83	% Female	49
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	18	% Yes	10	% North	27
% \$20,000 to \$29,999	11	% No	90	% Central	17
% \$30,000 to \$49,999	24			% Southeast	24
% over \$50,000	47			% Southwest	32