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Consumer Confidence

Consumer confidence fell two points in June to 66. Four of the five components fell while one rose slightly. Perceptions of personal finances now compared to a year ago rose one point to 53 while perceptions of personal finances a year from now fell one point to 74. Perceptions of U.S. economic conditions over the next year registered the largest decline of seven points to 61 while perceptions of U.S. economic conditions over the next five years fell one point to 72. Perceptions as to whether it is a good time to buy big-ticket items fell four points to 70.

“Floridians became a bit more pessimistic in June, particularly among those over age 60,” said Chris McCarty, the Survey Director. “Adjusting the results for age discrepancies moves the index about three points higher to 69, but also down from the age adjusted number for May. Floridians appear to be growing concerned about the short run health of the U.S. economy. As the deadline to adjust the debt ceiling approaches some Floridians, particularly seniors, may be anticipating cuts to Social Security and Medicare which will likely have to be part of any long term deficit reduction solution. Others may have concerns about raising the debt ceiling and may be more pessimistic in anticipation of any deal to let that happen. There has also been a host of national economic news that suggests the economic recovery may be in jeopardy. Among these is an increase in national unemployment to 9.1 percent, a very low figure for net jobs and rising jobless claims. Those who follow the news from Europe are no doubt waiting to see how the debt crisis with Greece and other Eurozone countries gets resolved.”

Several state level indicators reflect a more positive economic environment at the state-level, although there is unevenness across Florida’s cities and counties. Unemployment declined to 10.6 percent in Florida, the fifth straight month of declines. Much of the gain was from improvements in Florida tourism and health care. Gasoline prices in Florida are down nearly 15 cents a gallon over the month and are expected to decline more as the government releases oil from its reserves. This is unusual as gasoline prices are typically higher in the summer, but they experienced an uncharacteristic increase this past spring. The median price of a single family home actually increased in May to \$135,500 and has increased since February, although an increase through the spring is fairly typical. Foreclosures are expected to pick up again as processing delays abate. This will put downward pressure on home prices and ultimately contribute to lower consumer confidence.

“Typically I would characterize 66 as quite low for consumer confidence and would not expect much more of a decrease barring a dramatic negative event in the economy,” said McCarty. “I do expect there to be big changes on the way from a budget deal prior to August 2nd in order to get an increase to the debt ceiling. This will be the first installment of further budget reductions over the next couple of years that will negatively impact many Floridians. It is likely that consumer confidence will stay in the middle to upper 60s and possible decline further as the details of the budget deal are revealed.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
June 28th, 2011
Bureau of Economic and Business Research
University of Florida

	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Consumer Confidence Index													
FLORIDA	67	66	66	68	73	71	70	77	76	72	68	68	66
Men	67	68	70	69	75	73	73	80	76	74	71	72	61
Women	67	64	63	68	72	70	67	74	77	69	66	65	72
Under age 60	70	70	67	72	74	72	75	80	81	75	73	72	75
Aged 60 and over	64	62	65	64	73	70	66	74	73	69	64	65	60
Income under \$30,000	65	58	59	63	61	65	65	71	66	61	59	58	60
Income \$30,000 and over	69	71	70	69	79	74	74	80	80	76	72	73	69
Personal financial situation now compared to a year ago													
FLORIDA	46	48	51	49	54	56	51	58	56	58	56	52	53
Men	45	52	58	54	59	58	55	59	59	61	62	53	51
Women	47	44	46	44	51	55	45	57	53	54	51	51	56
Under age 60	51	53	55	53	55	54	52	64	59	59	63	57	64
Aged 60 and over	40	43	47	45	54	58	49	53	54	56	50	49	45
Income under \$30,000	36	35	39	31	34	42	38	44	36	41	43	38	33
Income \$30,000 and over	51	55	59	55	63	62	56	65	64	62	62	55	62
Personal financial situation expected one year from now													
FLORIDA	76	75	78	78	84	78	81	84	81	80	73	75	74
Men	76	76	78	77	85	80	84	86	81	82	76	80	68
Women	75	73	77	79	83	76	76	82	81	77	69	70	81
Under age 60	85	89	88	90	91	90	100	97	95	97	84	88	92
Aged 60 and over	66	62	68	66	79	66	64	74	68	65	59	65	59
Income under \$30,000	76	68	73	74	76	67	78	84	83	76	68	64	72
Income \$30,000 and over	77	80	83	79	89	83	86	85	83	82	76	82	77
Expected national economic conditions over the next year													
FLORIDA	64	61	58	63	67	69	66	77	77	67	66	68	61
Men	63	63	58	62	67	71	68	78	76	69	66	69	54
Women	66	60	57	63	68	68	63	75	79	66	65	66	71
Under age 60	67	65	60	69	69	71	68	79	83	70	70	74	71
Aged 60 and over	60	58	56	55	67	67	64	76	72	64	62	63	55
Income under \$30,000	65	59	54	68	61	74	67	74	68	57	53	54	66
Income \$30,000 and over	66	64	61	59	69	67	68	77	80	72	69	75	60
Expected national economic conditions over the next 5 years													
FLORIDA	71	70	69	76	77	77	78	81	80	74	72	73	72
Men	73	68	73	71	76	78	77	86	77	76	74	77	63
Women	70	72	65	80	77	76	78	76	84	71	70	68	83
Under age 60	72	68	65	74	77	77	79	82	84	73	74	75	76
Aged 60 and over	71	73	72	79	78	75	75	80	76	73	72	70	70
Income under \$30,000	74	65	64	81	65	71	79	77	72	64	67	71	72
Income \$30,000 and over	72	71	73	73	83	79	79	81	81	78	75	77	72
Is this a good time to buy major household items?													
FLORIDA	77	75	74	75	84	77	76	85	88	80	75	74	70
Men	79	81	81	79	87	78	82	92	89	82	78	79	71
Women	75	69	68	72	81	75	70	78	86	78	72	68	68
Under age 60	72	76	68	75	79	71	75	79	83	74	73	67	70
Aged 60 and over	84	74	81	76	89	82	77	90	92	84	79	79	68
Income under \$30,000	72	64	66	62	71	69	64	75	70	63	66	64	58
Income \$30,000 and over	78	84	76	80	89	80	82	89	91	84	76	76	75
*Revised. †Preliminary.	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	408	Race		Gender	
		% Non-white	18	% Male	54
Average age	60	% White	82	% Female	46
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	20	% Yes	8	% North	26
% \$20,000 to \$29,999	15	% No	92	% Central	16
% \$30,000 to \$49,999	22			% Southeast	23
% over \$50,000	43			% Southwest	35