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### *Consumer Sentiment*

Consumer optimism among Floridians rose to a post-recession high in June to 82, a one point increase from May. Four of the five components that make up the index rose while one stayed the same. Perceptions of personal finances now compared to a year ago rose three points to 70 while expectations of personal finances a year from now stayed flat at 82. Expectations of U.S. economic conditions over the next year rose two points to 83 while expectations of U.S. economic conditions over the next five years rose a point to 83. Perceptions as to whether it is a good time to buy big-ticket items such as a car or large appliance rose two points to 93.

“The increase in our index for June is so far led by a relatively large increase in perceptions of personal finances,” said Chris McCarty, the Survey Director. “There are several reasons for this increase, but the stock market gains for the first part of June certainly played a role in that. As we continue to collect interviews through the rest of the month the index will almost certainly be lower when it is revised. It’s worth noting that perceptions of current buying conditions are at a post-recession high of 93. The last time it reached this level was April of 2007 when it was 97. This was the beginning of the collapse in the housing market.”

As of this writing economic conditions in Florida were still improving. The unemployment rate for May was 7.1 percent compared to 7.6 percent for the U.S. The labor force also increased meaning the decline was due to an increase in jobs rather than a decline in the denominator. Housing prices continued to rise in Florida reaching a median price of \$171,000 for an existing single family home. The last time housing prices were that high in Florida was September 2008. The stock market had been maintaining near record highs for much of June before falling in the past week.

“For now consumers are still not registering any fears about the effects of sequestration,” said McCarty. “Most are concerned by the possibility of a rise in interest rates as the Federal Reserve signaled it may reduce its intervention, specifically by reducing the amount of Treasury bonds and mortgage backed securities it purchases totaling \$85 billion each month. Concern over this move is likely over-stated for two reasons. First, the Fed is unlikely to reduce the purchases to zero but will likely gradually reduce the effort. If the economy shows signs of weakness the Fed will resume the intervention. It is also worth noting that conditions are not the same as they were in 2008 when quantitative easing began. While the housing market is certainly helped by lower interest rates, there had been a low rate of building and an increase in population, leading to pent up demand. Housing prices may decline from their recent highs, but the underlying quality of loans is now very different from 2008. Recent buyers have good credit scores and typically put 20% down on their homes. This means that we will not see the massive foreclosures that led to the last recession. The Fed has seen the economy through dangerous economic times, but the economy is now operating normally. There was nothing normal about 2008.”

**FLORIDA ECONOMIC AND CONSUMER SURVEY†**  
**June 25<sup>th</sup>, 2013**  
**Bureau of Economic and Business Research**  
**University of Florida**

	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
<b>Consumer Sentiment Index</b>													
FLORIDA	73	77	76	80	80	74	76	75	73	76	79	81	82
Men	74	80	78	79	80	70	75	75	71	78	78	82	84
Women	72	74	74	80	80	77	76	74	76	75	80	79	80
Under age 60	78	81	80	81	84	79	83	80	77	77	86	85	91
Aged 60 and over	70	74	74	80	77	70	70	72	71	75	74	78	75
Income under \$30,000	68	66	66	76	77	71	72	74	72	67	62	73	75
Income \$30,000 and over	79	82	82	83	82	74	80	74	75	81	84	88	87
<b>Personal financial situation now compared to a year ago</b>													
FLORIDA	61	64	61	64	64	57	62	59	64	65	71	67	70
Men	60	69	64	65	66	59	65	60	63	72	70	72	77
Women	61	59	57	63	61	56	60	58	64	58	71	62	64
Under age 60	69	72	65	71	70	64	71	65	69	64	78	73	84
Aged 60 and over	54	55	58	57	57	53	55	56	60	65	63	63	59
Income under \$30,000	49	51	47	50	52	43	43	51	55	51	47	56	56
Income \$30,000 and over	68	71	69	72	69	61	74	60	65	71	77	75	78
<b>Personal financial situation expected one year from now</b>													
FLORIDA	76	85	85	86	85	77	76	75	74	72	79	82	82
Men	73	89	85	81	84	70	76	78	70	74	77	82	82
Women	80	80	84	90	85	84	77	72	80	71	82	82	82
Under age 60	88	97	96	92	94	91	95	88	91	82	95	94	101
Aged 60 and over	67	73	74	80	76	66	61	66	66	64	66	72	66
Income under \$30,000	72	76	68	85	89	78	85	76	76	66	64	71	83
Income \$30,000 and over	80	91	94	87	86	75	78	74	74	78	84	90	87
<b>Expected national economic conditions over the next year</b>													
FLORIDA	73	75	75	81	85	79	76	76	72	77	79	81	83
Men	75	76	74	77	85	71	75	75	67	75	77	79	81
Women	71	75	76	84	86	88	76	78	77	79	82	83	84
Under age 60	74	78	78	81	87	78	80	79	69	76	86	84	88
Aged 60 and over	74	73	73	83	84	80	72	75	74	76	75	80	79
Income under \$30,000	67	64	65	82	83	80	77	86	74	67	62	75	77
Income \$30,000 and over	80	78	78	84	84	77	77	72	74	80	84	88	86
<b>Expected national economic conditions over the next 5 years</b>													
FLORIDA	80	79	82	84	86	77	78	76	69	76	77	82	83
Men	81	81	85	83	85	81	74	77	66	75	78	82	81
Women	79	77	78	85	88	82	81	75	72	78	76	82	84
Under age 60	77	79	83	77	87	80	80	80	72	75	82	82	89
Aged 60 and over	84	80	81	93	86	75	76	74	68	78	73	83	78
Income under \$30,000	76	69	80	84	85	81	77	76	72	74	65	83	69
Income \$30,000 and over	86	83	83	84	86	76	80	74	71	78	81	86	88
<b>Is this a good time to buy major household items?</b>													
FLORIDA	77	82	80	85	79	78	86	87	88	90	90	91	93
Men	83	84	84	92	78	81	87	86	90	93	89	94	99
Women	69	80	75	79	81	75	84	88	85	87	91	88	87
Under age 60	82	77	75	83	80	81	86	89	87	87	87	90	92
Aged 60 and over	72	87	71	87	79	75	86	87	89	92	93	93	94
Income under \$30,000	72	70	70	76	77	73	79	82	82	76	72	81	91
Income \$30,000 and over	80	85	84	88	82	80	89	90	92	96	94	100	96
*Revised. †Preliminary.	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

<b>Sample Size</b>	434	<b>Race</b>		<b>Gender</b>	
		% Non-white	15	% Male	48
<b>Average age</b>	61	% White	85	% Female	52
<b>Income Characteristics</b>		<b>Hispanic Origin</b>		<b>Region</b>	
% less than \$20,000	19	% Yes	9	% North	27
% \$20,000 to \$29,999	17	% No	91	% Central	16
% \$30,000 to \$49,999	22			% Southeast	21
% over \$50,000	42			% Southwest	36