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### *Consumer Confidence*

Consumer confidence among Floridians rose two points in July to 68. Of the five components that make up the index, three increased, one decreased and one remained unchanged. Perceptions of personal finances now compared to a year ago increased from 54 in June to 57 in July, while expectations of personal finances a year from now rose a point from 74 in June to 75. Expectations about U.S. economic conditions over the next year declined a point from 60 in June to 59 in July while expectations of U.S. economic conditions over the next five years remained unchanged. The largest change was an increase in the component asking respondents if it is a good time to buy big-ticket items, that component rose five points to 77.

“The increase in the index for July was 1.6 points which was rounded to two,” said Chris McCarty. “This does not represent a big change. Most of the increase can be attributed to an increase in optimism about whether it is a good time to buy. This component is now back to the level it was last fall. Some of this may have to do with declines in gas prices during the month of June and much of July. This leaves more money in people’s budget for other purchases. Of equal interest is an increase in the overall index for those over age 60 and a decline for those under age 60. Last month the decline in confidence was largely due to seniors. This month they report an improvement in their current personal finances. This may reflect the stalled debt talks which has not yet resulted in a cut to entitlement programs. Seniors may have also become more aware of the nature of proposed entitlement cuts which for the most part will not affect those in or near retirement.”

Florida’s rate of unemployment was unchanged in June at 10.6, ending five consecutive months of declines. Leisure and hospitality continues to lead the way in Florida employment, followed by health and private education. The number of visitors to Florida and the amount they are spending is up over the previous year. And although home sales were down in June, the median price of a single family home has risen for four months straight. This rise in prices is not likely to continue through the fall as two things occur. First is the processing of a backlog of foreclosures that have been delayed in the courts. Second is a change in FHA loans for higher priced homes. During the housing crisis the FHA raised the price of conforming loans to \$729,750. That will fall to its previous level of \$625,000 making the sale of higher priced homes more difficult and putting downward pressure on prices.

“Looking ahead there are two factors most likely to affect consumer confidence,” said McCarty. “One is the potential downside to housing prices. Florida is different from other states in the backlog of foreclosures and the relatively high price tag for homes along the coast which will be affected by the change in the FHA rate. The other is the aftermath from the change to the debt ceiling and deficit reduction. It is unlikely that the U.S. will actually default. The question is what sort of deal will ultimately lead to raising the debt ceiling. That seems to be anybody’s guess.

Depending on the details this could have a relatively negligible effect on consumers or a severe effect. It is unlikely that any deficit reduction plan will raise consumer optimism, despite its necessity.”

**FLORIDA ECONOMIC AND CONSUMER SURVEY†**  
**July 26<sup>th</sup>, 2011**  
**Bureau of Economic and Business Research**  
**University of Florida**

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

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

<b>Sample Size</b>	414	<b>Race</b>		<b>Gender</b>	
		% Non-white	17	% Male	46
<b>Average age</b>	59	% White	83	% Female	54
<b>Income Characteristics</b>		<b>Hispanic Origin</b>		<b>Region</b>	
% less than \$20,000	16	% Yes	7	% North	24
% \$20,000 to \$29,999	14	% No	93	% Central	17
% \$30,000 to \$49,999	24			% Southeast	24
% over \$50,000	46			% Southwest	35