

FLORIDA CONSUMER SENTIMENT INDEX
September 24, 2013
FOR IMMEDIATE RELEASE



From:
UF Survey Research Center
Bureau of Economic and Business Research
College of Liberal Arts and Sciences
University of Florida
P. O. Box 117145, Gainesville, Florida 32611-7145

Contact:
Chris McCarty, Survey Director
Office: (352) 392-2908 ext. 100

Consumer Sentiment

Consumer sentiment among Floridians declined by one point in September to 76. Of the five components that make up the index three decreased, one increased and one stayed the same. Perceptions of personal finances now compared to a year ago was unchanged at 63. This component has been at this level for three months straight. Expectation of personal finances a year from now fell three points to 78. Expectations of U.S. economic conditions over the next year fell four points to 74 while expectations of U.S. economic conditions over the next five years fell six points to 72. Perceptions as to whether it is a good time to buy big ticket items rose three points to 90.

“The decline in our index is definitely a trend and one that is now being reflected in other economic data,” said Chris McCarty, the Survey Director. “This month’s decline is once again concentrated among lower income households who are particularly pessimistic about their current and future personal finances. The growing pessimism about long term U.S. economic conditions was fueled by lower income respondents and seniors. It is worth noting that our July reading was among the first economic indicators to show what now appears to be a slowdown in both Florida and U.S. economic indicators.” At first glance the most recent unemployment report for Florida looks better as the level of unemployment declined to 7.0 percent, .3 percentage points lower than U.S. unemployment and much lower than the peak of 11.4 percent at the end of the last recession. However the decline in unemployment in August was in large part due to a decline in the labor force, a familiar pattern we have experienced over the past few years. Indeed, Florida actually lost more than 4,000 jobs between July and August which would typically result in increased unemployment. Since a larger number stop looking for work, the overall unemployment rate went down. A closer look at the report shows another odd twist. Construction jobs which along with government jobs have been the main casualties of the past recession actually increased last month. Job declines were in leisure and hospitality, a category that had been strong, educational services, real estate and general service jobs. A recent Census Bureau report shows Florida metro areas rank lower than other states. The growing weakness in the labor market is reflected in national retail sales which were lower than expectations in August. Florida sales tax data show that revenue was still over estimated revenue for August, although by a much lower amount than in previous months. If the current trend continues, the Florida Legislature will not have as much of a surplus to allocate during the next legislative session in spring 2014. Housing has been a bright spot in Florida, but as anticipated this trend may slow at least temporarily. The median price of a single family home in Florida was down from July by \$4,500 to \$175,000. Although this is higher than the same time a year ago, it is the first decline in prices since January. In the short run housing is likely to be less of a driver of a recovery in Florida. While housing prices are not likely to rise dramatically they are also not likely to fall too far. Floridians can be confident that they will hold onto most of the recent gains in home prices. The stock market is still near record highs which helps those in and near retirement who are relying on those investments. Gas prices have returned to their traditional pattern showing a decline following the Labor Day weekend.

“Signs of an economic slowdown are likely to have played a role in the Federal Reserve’s decision to continue quantitative easing at its current levels,” said McCarty. “However there is no doubt the Federal Reserve will back off asset purchases which are helping to keep interest rates low, perhaps by the end of the year. The next hurdle for the economy is what is looking like another battle over the debt ceiling and a potential government shutdown in the next couple of weeks. Many economists have suggested we are due for another recession given historical patterns. While to many Americans it may seem as if we never recovered from the Great Recession of 2007-2009, we have actually been experiencing fairly steady, yet weak, growth for the past four years. A government shutdown of even a short duration would likely be enough to trigger another recession.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
September 24, 2013
Bureau of Economic and Business Research
University of Florida

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

FLORIDA ECONOMIC AND CONSUMER SURVEY
September 24, 2013
Bureau of Economic and Business Research
University of Florida

CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	399	Race		Gender	
		% Non-white	14	% Male	45
Average age	60	% White	86	% Female	55
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	16	% Yes	7	% North	28
% \$20,000 to \$29,999	13	% No	93	% Central	17
% \$30,000 to \$49,999	20			% Southeast	23
% over \$50,000	51			% Southwest	32