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Consumer Confidence

Consumer confidence among Floridians rose three points in December to 69, one point below the level in December 2010. Of the five components that make up the index four increased and one declined. Perceptions of personal finances now compared to a year ago rose one point to 53 while expectations of personal finances a year from now declined two points to 78. Expectations of the U.S. economy over the next year jumped six points to 59 while expectations over the next five years rose three points to 71. Perceptions as to whether it is a good time to buy big ticket consumer items rose sharply by seven points to 85.

“The increase in consumer confidence among Floridians is in line with an increase in the national index which came in at 69.9 in December,” said Chris McCarty the Survey Director. “The Florida index rose among both younger and older respondents. Floridians are most likely optimistic about continued improvement in the employment situation. The large increase in perceptions of buying conditions reflects big discounts from retailers for the holidays and very low interest rates for mortgages. Contrary to our prediction, the impasse of the Super Commission regarding deficit reductions came and went with very little concern from consumers. It is worth noting that the agreement to increase the debt ceiling reached in August will now result in automatic cuts of \$1.2 trillion beginning in 2013.”

There have been many positive signs of improvement in the Florida economy. The biggest improvement is a reduction in unemployment which fell .4 percent in in November to 10 percent. While some of this decline was due to a reduction in the labor force (down .4 percent from the year before), this is the first time in many months that a category other than tourism led the way in total jobs. Trade, transportation and utilities increased by 34,800 jobs from October to November. Much of this was in retail trade, likely due to holiday hiring. It will be telling if this continues beyond December. Stocks have been wobbly, but have not declined appreciably despite the barrage of almost daily contradictory news about the Eurozone. Gas prices continue to decline, down almost 15 cents from a month ago. Gas prices will most likely rise in the next few months as oil prices increase and eventually this will be passed on to consumers. Housing prices declined slightly to a median price of \$130,100 for a single family home, but have bottomed out for now.

“U.S. consumers are likely immune to media reports from Europe and budget issues herein the U.S.,” said McCarty. “None of these issues has resulted in real consequences for Floridians yet. That may change in January beginning with the expiration of the payroll tax cut. At some point Congress will have to contend with required cuts of \$1.2 trillion from the debt ceiling deal, and given tensions in Congress and the fact this is an election year it is less likely that those cuts will be dismissed. Budget cuts at the federal level will trickle down to some Floridians. Given the current make-up of the Florida jobs report, December is likely to be favorable, whether increased employment is due to holiday hiring or not. The question remains whether those job gains will be sustained through January.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
December 27th, 2011
Bureau of Economic and Business Research
University of Florida

	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Consumer Confidence Index													
FLORIDA	70	77	76	72	68	68	66	67	61	64	65	66	69
Men	73	80	76	74	71	72	63	66	64	63	67	67	71
Women	67	74	77	69	66	65	70	67	58	65	63	66	67
Under age 60	75	80	81	75	73	72	74	69	65	68	67	70	76
Aged 60 and over	66	74	73	69	64	65	61	66	57	59	63	62	65
Income under \$30,000	65	71	66	61	59	58	61	59	54	58	51	62	63
Income \$30,000 and over	74	80	80	76	72	73	69	72	65	66	71	71	75
Personal financial situation now compared to a year ago													
FLORIDA	51	58	56	58	56	52	54	58	53	49	54	52	53
Men	55	59	59	61	62	53	53	57	54	52	60	55	58
Women	45	57	53	54	51	51	56	58	51	45	48	49	46
Under age 60	52	64	59	59	63	57	63	62	60	51	64	54	58
Aged 60 and over	49	53	54	56	50	49	47	53	46	47	45	49	51
Income under \$30,000	38	44	36	41	43	38	35	40	43	36	35	46	43
Income \$30,000 and over	56	65	64	62	62	55	62	67	60	54	65	57	59
Personal financial situation expected one year from now													
FLORIDA	81	84	81	80	73	75	74	75	73	74	76	80	78
Men	84	86	81	82	76	80	69	76	75	71	76	80	79
Women	76	82	81	77	69	70	80	74	71	78	76	80	76
Under age 60	100	97	95	97	84	88	92	87	85	87	84	89	87
Aged 60 and over	64	74	68	65	59	65	60	63	61	62	68	70	70
Income under \$30,000	78	84	83	76	68	64	73	60	67	70	57	74	73
Income \$30,000 and over	86	85	83	82	76	82	77	85	78	75	85	85	83
Expected national economic conditions over the next year													
FLORIDA	66	77	77	67	66	68	60	57	51	53	55	53	59
Men	68	78	76	69	66	69	55	53	52	51	55	52	58
Women	63	75	79	66	65	66	67	61	50	56	55	54	60
Under age 60	68	79	83	70	70	74	70	57	51	59	55	59	67
Aged 60 and over	64	76	72	64	62	63	54	58	50	47	57	47	54
Income under \$30,000	67	74	68	57	53	54	64	52	46	51	51	57	62
Income \$30,000 and over	68	77	80	72	69	75	59	60	53	52	57	53	61
Expected national economic conditions over the next 5 years													
FLORIDA	78	81	80	74	72	73	70	69	62	68	67	68	71
Men	77	86	77	76	74	77	61	65	65	63	65	64	72
Women	78	76	84	71	70	68	81	72	59	74	69	72	70
Under age 60	79	82	84	73	74	75	72	66	64	71	64	68	79
Aged 60 and over	75	80	76	73	72	70	69	74	58	63	70	67	66
Income under \$30,000	79	77	72	64	67	71	72	69	57	63	57	66	66
Income \$30,000 and over	79	81	81	78	75	77	69	70	64	69	71	70	77
Is this a good time to buy major household items?													
FLORIDA	76	85	88	80	75	74	72	75	68	74	71	78	85
Men	82	92	89	82	78	79	75	78	75	79	77	82	87
Women	70	78	86	78	72	68	68	72	61	70	66	75	81
Under age 60	75	79	83	74	73	67	71	72	67	71	66	78	88
Aged 60 and over	77	90	92	84	79	79	72	80	70	79	77	80	84
Income under \$30,000	64	75	70	63	66	64	63	72	56	68	57	65	70
Income \$30,000 and over	82	89	91	84	76	76	77	78	71	81	78	88	96

*Revised. †Preliminary.

	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	411	Race		Gender	
		% Non-white	11	% Male	59
Average age	60	% White	89	% Female	41
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	15	% Yes	5	% North	25
% \$20,000 to \$29,999	10	% No	95	% Central	19
% \$30,000 to \$49,999	23			% Southeast	25
% over \$50,000	52			% Southwest	31