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Consumer Sentiment

Consumer sentiment among Floridians rose two points in July to 84, hitting another post-recession high. Among the five components that make up the index two increased, two decreased and one stayed the same. Perceptions of personal finances now compared to a year ago fell two points to 74 after reaching a post-recession high of 76 in June. Expectations of personal finances a year from now fell one point to 82. Expectations of U.S. economic conditions over the next year rose four points to 84 while expectations of U.S. economic conditions over the next five years rose seven points to 85. Perceptions as to whether it is a good time to buy big ticket items maintained a post-recession high of 94. The gain in confidence was more broad-based than in previous months.

“We appear to be gaining some traction among consumers here in Florida,” said Chris McCarty, the Survey Director. “The last time Florida consumers were this confident was over seven years ago in April 2007, prior to the recession, when the housing market was beginning to unravel. Prior to that the index peaked at 98 in January 2004. Overall we are quite a bit behind where we would typically be this far out from the end of a recession, but we had a lot further to go in this recovery.”

The employment situation has continued to improve over the last month with unemployment declining .1 percent to 6.2. While there have been some significant job gains in Florida recently there are questions about the quality of jobs, particularly those in the Services sector. Construction employment has made solid gains but is still far below the level it was prior to the recession. The stock market again hit record highs in June which benefits both the working population and retirees with equity investments. Housing prices were up again in June to \$185,000 for the median price of a single family home. There are some signs that housing gains may slow as both housing starts and sale of existing homes slowed in southern states. Economists are waiting to see if the decline is noise or part of a trend. Inflation continues to be under control and meeting expectations. Gas prices here in Florida are lower than they were a month ago and have been trending down since April.

“Given the current trends here in Florida our expectation is that consumer sentiment will continue to rise slightly in the short run,” said McCarty. “While an index of 84 is not historically high, it does reflect a far more optimistic consumer than we have seen over the past year. Most of the potential effects of confidence are external to the state. These include the inevitable rise in short term interest rates that the Federal Reserve will implement as early as this fall, the effect on

consumers from escalation of conflict in the Middle East and Ukraine, and a significant correction in the stock market which is a topic of discussion among economic pundits.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
July 29, 2014
Bureau of Economic and Business Research
University of Florida

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr--14	May-14	Jun-14	Jul-14
Consumer Sentiment Index													
FLORIDA	77	77	78	70	77	77	78	78	80	80	78	82	84
Men	79	77	82	69	82	79	80	80	83	82	80	85	89
Women	74	77	74	71	72	74	75	75	77	77	75	80	78
Under age 60	80	82	82	78	79	86	79	82	85	83	78	88	91
Aged 60 and over	75	73	74	63	77	71	77	75	77	77	77	79	78
Income under \$30,000	69	70	69	62	65	71	75	61	68	65	66	74	76
Income \$30,000 and over	82	81	82	73	83	79	81	86	86	87	84	87	89
Personal financial situation now compared to a year ago													
FLORIDA	63	63	65	61	69	69	66	63	72	69	71	76	74
Men	67	67	71	63	80	75	71	68	77	73	75	79	78
Women	60	58	61	59	58	63	62	58	66	64	67	73	70
Under age 60	72	68	75	68	69	80	67	69	74	77	70	82	84
Aged 60 and over	57	57	59	54	68	61	65	59	69	65	72	73	66
Income under \$30,000	50	52	49	43	45	50	56	39	49	47	49	66	52
Income \$30,000 and over	69	66	73	70	79	75	70	74	81	81	80	81	83
Personal financial situation expected one year from now													
FLORIDA	75	81	80	74	74	78	80	76	83	78	76	83	82
Men	77	80	81	71	77	79	83	78	86	80	78	85	85
Women	72	83	79	76	70	77	76	74	79	75	73	80	79
Under age 60	85	94	96	93	82	96	96	91	98	92	89	102	99
Aged 60 and over	68	69	66	58	68	67	71	66	72	70	65	71	68
Income under \$30,000	68	76	71	66	65	77	77	68	80	70	66	82	74
Income \$30,000 and over	79	86	86	77	78	81	84	84	88	85	80	87	86
Expected national economic conditions over the next year													
FLORIDA	79	76	76	66	76	73	76	79	82	78	74	80	84
Men	78	70	79	62	77	76	73	82	85	83	76	77	87
Women	79	82	74	69	75	70	78	77	79	73	72	83	80
Under age 60	79	83	76	73	76	77	75	82	86	79	78	85	89
Aged 60 and over	79	71	76	60	77	69	77	77	80	77	71	77	80
Income under \$30,000	76	73	76	64	66	72	77	58	69	66	67	77	83
Income \$30,000 and over	83	78	77	66	81	73	78	89	87	87	80	83	88
Expected national economic conditions over the next 5 years													
FLORIDA	75	78	75	71	76	74	81	79	77	81	76	78	85
Men	77	77	80	69	74	76	80	82	78	83	78	81	91
Women	73	79	71	73	78	71	82	77	75	79	74	76	78
Under age 60	77	81	81	77	74	75	80	79	81	79	74	83	89
Aged 60 and over	75	76	71	67	78	72	82	80	75	81	77	75	81
Income under \$30,000	77	73	75	70	73	67	86	58	73	69	69	71	80
Income \$30,000 and over	80	81	77	70	78	75	82	89	83	86	82	83	89
Is this a good time to buy major household items?													
FLORIDA	92	87	91	78	92	91	86	90	86	92	90	94	94
Men	96	91	100	81	105	90	93	89	87	92	92	101	103
Women	88	83	83	75	80	91	80	92	84	92	88	88	85
Under age 60	87	82	82	79	93	101	78	87	85	87	82	90	93
Aged 60 and over	96	92	99	77	93	83	91	93	87	94	99	98	94
Income under \$30,000	76	76	73	67	78	86	80	81	71	74	81	75	90
Income \$30,000 and over	100	91	96	83	100	93	92	95	90	96	97	99	98
*Revised. †Preliminary.	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr--14	May-14	Jun-14	Jul-14

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	410	Race		Gender	
		% Non-white	17	% Male	52
Average age	61	% White	83	% Female	48
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	16	% Yes	9	% North	23
% \$20,000 to \$29,999	12	% No	91	% Central	20
% \$30,000 to \$49,999	23			% Southeast	19
% over \$50,000	49			% Southwest	38

Data Collection Dates: July 1 to July 24, 2014