

FLORIDA CONSUMER CONFIDENCE INDEX
April 25, 2006
FOR IMMEDIATE RELEASE



**UNIVERSITY OF
FLORIDA**

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Consumer Confidence

Consumer confidence among Floridians declined two points in April to 89. Like the previous month's rise, the decline in April was broad-based with all five of the index components falling. The largest drop was in perceptions of US business conditions over the next five years. That component fell four points from 83 in March to 79 in April. Expectations about US business conditions over the next two years fell two points to 79. Perceptions of personal finances now compared to a year ago fell two points to 87, and perceptions of personal finances a year from now fell two points to 94. Perceptions as to whether it is a good time to buy big-ticket items fell two points to 104. Overall the index is now two points lower than at the same time last year.

"Increasingly consumer confidence seems to be driven by the price of gasoline," said Chris McCarty, the Survey Director. "The rise in confidence last month appears to have been a lagged reaction to lower gas prices in February. But we have more than made up for those drops in the past two months, and gas prices are headed upward as the summer traveling season approaches."

Recent gas prices have been affected by rising costs of crude oil internationally in response to concerns over some oil-producing countries, such as Iran and Nigeria, as well as adaptations of domestic oil refineries to changes in the regulations regarding the formula for gasoline. Looking ahead, the changes in the price of gasoline will be driven by demand domestically, as is always the case during the summer months. Some analysts expect gasoline to rise by as much as 15 cents, pushing the price for regular unleaded in most parts of Florida above three dollars.

"Consumers are certainly beginning to curtail their spending in reaction to the rise in gasoline," said McCarty. "Although employment levels remain high, particularly here in Florida, consumers are being squeezed by high energy prices and high levels of debt. On the horizon are the effects of the expected turnaround in the real estate market. We are already seeing the inventory of houses and condominiums in some Florida markets increasing as consumers see higher interest rates and fewer of the creative lending agreements, such as no-interest loans. Over the next year we expect to see the full effect of this play out. In most of Florida that will mean a return to single digit appreciation in housing prices. But in some markets that will mean no appreciation or even a decline in prices for some high-end homes. This will have a cascading effect on consumers who are just able to afford their new homes and those that are still thinking of using the equity of their home to fuel spending. The effect of home-equity fueled spending on the economy over the past four years cannot be overstated. Ultimately, we expect all of these factors to lead to a decline in consumer confidence as the year unfolds."

FLORIDA ECONOMIC AND CONSUMER SURVEY†

April 25, 2006

Bureau of Economic and Business Research

University of Florida

Apr-05 May-05 Jun-05 Jul-05 Aug-05 Sep-05 Oct-05 Nov-05 Dec-05 Jan-06 Feb-06 Mar-06* Apr-06†

Consumer Confidence Index

FLORIDA	91	91	96	95	89	78	80	84	91	95	87	91	89
Men	94	96	99	99	94	85	88	88	96	99	92	99	96
Women	88	87	93	91	86	71	74	80	87	92	83	84	84
Under age 60	96	97	98	97	93	79	82	85	95	96	89	94	95
Aged 60 and over	83	81	91	89	82	74	74	82	83	92	84	86	81
Income under \$30,000	81	77	79	82	75	57	67	72	81	83	77	77	77
Income \$30,000 and over	96	99	101	103	96	86	86	89	97	100	92	97	95

Personal financial situation now compared to a year ago

FLORIDA	90	87	90	87	86	80	79	80	88	88	83	89	87
Men	94	95	92	91	88	90	87	84	90	94	89	95	94
Women	87	81	88	85	85	71	73	76	85	84	78	83	83
Under age 60	99	96	95	93	96	86	86	85	93	93	88	98	98
Aged 60 and over	76	72	80	73	65	66	62	71	76	80	76	73	68
Income under \$30,000	73	61	64	66	61	48	51	54	61	61	71	66	67
Income \$30,000 and over	100	102	100	99	99	94	91	91	98	97	91	101	96

Personal financial situation expected one year from now

FLORIDA	96	96	98	100	97	90	90	92	95	99	95	96	94
Men	99	99	98	102	94	95	94	93	100	104	97	102	98
Women	93	94	98	98	99	86	87	90	92	96	93	90	92
Under age 60	107	107	104	107	104	98	98	101	105	109	106	107	110
Aged 60 and over	76	76	80	83	81	72	71	75	73	83	77	75	71
Income under \$30,000	86	84	88	95	90	74	81	78	89	96	81	85	87
Income \$30,000 and over	100	104	102	106	103	98	96	100	99	104	103	101	102

Expected national economic conditions over the next year

FLORIDA	77	79	84	84	75	56	66	72	84	86	77	81	79
Men	81	86	93	90	83	67	78	74	90	92	81	93	90
Women	74	74	84	79	70	47	58	70	79	81	74	70	73
Under age 60	78	83	90	85	75	53	67	73	87	84	78	78	79
Aged 60 and over	74	69	82	83	76	64	68	72	81	89	76	86	82
Income under \$30,000	69	69	74	71	59	37	61	68	86	80	69	71	72
Income \$30,000 and over	81	83	90	93	80	61	68	73	86	90	81	82	82

Expected national economic conditions over the next 5 years

FLORIDA	80	82	88	88	80	70	76	78	84	90	79	83	79
Men	83	90	95	96	89	76	86	84	91	94	85	96	91
Women	78	76	85	83	74	65	69	73	78	87	74	72	72
Under age 60	79	86	89	87	78	68	74	77	86	86	76	84	82
Aged 60 and over	82	76	93	92	84	72	81	80	81	97	84	84	78
Income under \$30,000	65	70	72	78	70	53	65	74	82	78	66	73	65
Income \$30,000 and over	85	90	93	96	84	76	81	78	86	94	84	86	86

Is this a good time to buy major household items?

FLORIDA	110	111	113	113	109	91	88	98	105	109	102	106	104
Men	114	113	119	115	117	99	95	107	107	109	107	109	107
Women	107	109	110	112	104	85	83	90	103	109	97	104	102
Under age 60	114	111	111	113	111	89	88	91	104	109	98	104	104
Aged 60 and over	104	113	120	113	103	95	90	110	105	113	107	110	108
Income under \$30,000	111	101	96	100	94	72	78	85	89	100	101	91	94
Income \$30,000 and over	111	116	121	119	114	101	96	103	114	113	101	112	110

*Revised. †Preliminary.

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	408	Race		Gender	
		% Non-white	15	% Male	39
Average age	53	% White	85	% Female	61
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	16	% Yes	11	% North	24
% \$20,000 to \$29,999	10	% No	89	% Central	17
% \$30,000 to \$49,999	22			% Southeast	27
% over \$50,000	52			% Southwest	32