

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

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

### *Consumer Confidence*

Consumer confidence among Floridians was lower in April, down four points to 66, from a revised March reading of 70. This is only two points higher than the record low of 64 reached in December 1991. The fall was fueled by lower readings in four of the five index components. Perceptions of personal finances now compared to a year ago fell five points to 59, a record low for that component. Perceptions of personal finances a year from now fell nine points to 79, also a record low for that component. Perceptions of U.S. economic conditions over the next year fell six points to 52, while perceptions of U.S. economic conditions over the next five years fell four points to 72. Perceptions as to whether it is a good time to buy big-ticket consumer items rose three points to 67.

“Consumer confidence in Florida is now at the same recessionary levels as it was during 1990-91 recession,” said Chris McCarty, the Survey Director. “Unlike the relatively mild recession of 2001, the recession of 1990-91 resulted in a longer time to recover. This is a likely scenario for the current economy. The question remains whether the recession will get worse, such as the two year recession from 1973 to 1975. Most economists believe the economy will pick up by late 2008 or early 2009.”

The causes of lower consumer confidence are well-known to Floridians. Falling housing prices, stricter guidelines for all forms of credit, rising gasoline and food prices are hitting consumers all at once. This has raised the possibility of “stagflation”, a circumstance where gross domestic product retracts while inflation rises. Nationally, consumer confidence as measured by the University of Michigan has fallen to a 26 year low. Hardest hit are low income households that have a far more difficult time with higher energy and food prices.

“The question on everyone’s mind is how we are going to get out of this slow economy?” said McCarty. “The answer is probably time. Median house prices have been falling here in Florida since late 2006 and we expect prices to bottom out in much of Florida by July. Many of those with adjustable rate mortgages have gone through the resets and adjusted by making higher payments or refinancing, or by leaving their home. Most banks that were affected by bad loans have taken the write-downs and investors are adjusting to those write-downs. The economic stimulus package, though a welcome relief for many households, will probably not do much to change the course of events. And while the economy consistently remains at the top of the list among voters who are considering who to vote for in November, the reality is that the next president does not take office until January. By most measures the worst will be over from this economic downturn before there is time to make substantial changes to affect this outcome.”

# FLORIDA ECONOMIC AND CONSUMER SURVEY†

April 30, 2008

Bureau of Economic and Business Research

University of Florida

	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
<b>Consumer Confidence Index</b>													
FLORIDA	85	81	82	81	78	77	79	76	74	70	73	70	66
Men	94	88	89	82	83	76	85	80	79	75	79	74	67
Women	78	76	77	81	75	76	75	74	70	66	68	66	65
Under age 60	89	83	86	83	81	81	79	77	75	72	73	69	67
Aged 60 and over	80	79	77	77	76	73	79	76	72	68	74	70	64
Income under \$30,000	70	68	70	67	67	66	73	69	64	58	66	62	60
Income \$30,000 and over	93	87	89	88	84	81	80	80	77	74	76	74	67
<b>Personal financial situation now compared to a year ago</b>													
FLORIDA	83	77	78	73	72	71	69	70	64	65	65	64	59
Men	93	79	86	71	79	75	76	73	69	75	71	69	61
Women	74	76	72	75	67	75	64	68	61	56	59	59	58
Under age 60	89	83	86	78	78	72	70	73	67	67	66	67	63
Aged 60 and over	75	69	66	64	65	70	69	68	58	62	64	59	54
Income under \$30,000	60	50	51	48	49	45	54	59	41	42	50	47	40
Income \$30,000 and over	94	89	88	83	83	80	74	74	70	73	71	71	64
<b>Personal financial situation expected one year from now</b>													
FLORIDA	93	89	88	89	88	86	90	86	87	82	84	88	79
Men	98	95	94	86	92	83	96	89	89	83	89	90	80
Women	88	84	83	91	85	83	86	84	85	82	80	87	78
Under age 60	106	98	98	99	99	97	100	93	96	92	91	98	89
Aged 60 and over	73	77	72	71	73	71	75	78	75	70	76	73	65
Income under \$30,000	80	80	76	81	83	74	83	72	77	77	75	72	56
Income \$30,000 and over	97	95	97	95	93	90	93	94	91	89	89	94	85
<b>Expected national economic conditions over the next year</b>													
FLORIDA	76	74	75	73	70	69	73	62	65	55	65	58	52
Men	85	86	80	72	75	66	76	63	72	56	72	60	55
Women	68	65	71	73	66	66	71	61	60	54	59	56	50
Under age 60	73	75	75	71	67	71	71	59	62	56	64	50	49
Aged 60 and over	79	74	75	74	76	69	77	65	68	54	66	67	55
Income under \$30,000	61	62	69	60	63	69	71	58	66	52	66	54	48
Income \$30,000 and over	83	79	78	77	71	68	73	64	66	56	64	60	51
<b>Expected national economic conditions over the next 5 years</b>													
FLORIDA	79	76	82	80	77	80	78	79	79	74	83	76	72
Men	89	88	88	83	79	78	82	85	83	79	86	82	71
Women	71	67	79	78	76	78	75	75	77	71	80	71	73
Under age 60	83	76	82	78	75	82	72	76	78	72	81	71	69
Aged 60 and over	74	78	84	83	81	78	87	83	81	79	86	83	76
Income under \$30,000	62	66	75	65	72	75	75	70	66	58	77	70	46
Income \$30,000 and over	85	80	86	88	79	81	77	83	84	78	84	80	71
<b>Is this a good time to buy major household items?</b>													
FLORIDA	97	90	87	91	85	81	84	84	75	74	69	64	67
Men	107	94	97	96	91	80	93	89	82	81	75	71	69
Women	87	87	76	88	80	80	78	81	70	68	64	58	66
Under age 60	96	85	90	90	85	83	80	82	73	72	62	60	65
Aged 60 and over	98	98	85	94	86	78	90	88	76	77	75	70	68
Income under \$30,000	86	81	79	79	68	68	81	84	71	63	64	68	56
Income \$30,000 and over	103	92	94	95	92	85	84	88	75	75	70	66	64

\*Revised. †Preliminary.

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

<b>Sample Size</b>	490	<b>Race</b>		<b>Gender</b>	
		% Non-white	15	% Male	47
<b>Average age</b>	57	% White	85	% Female	53
<b>Income Characteristics</b>		<b>Hispanic Origin</b>		<b>Region</b>	
% less than \$20,000	14	% Yes	7	% North	20
% \$20,000 to \$29,999	10	% No	93	% Central	21
% \$30,000 to \$49,999	20			% Southeast	22
% over \$50,000	56			% Southwest	37