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**Lack of jobs hitting all sectors thwarting confidence**

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*Consumer Confidence*

Consumer confidence among Floridians fell by two points in July to 91 after four months of increases. The source of the decline was primarily in two of the five components. Long term expectations about the US economy fell six points to 78, while perceptions of personal finances compared to a year ago fell three points to 80. Expectations of personal finances one year from now increased by three points to 105.

“This decline in consumer confidence is more in line with what I would expect given what has been happening with other economic indicators,” said Chris McCarty, the Survey Director. “While the large increase from March to April was expected due to the declaration of victory in Iraq, the rise in confidence for May and June has been puzzling. Although there are some signs of the beginnings of a recovery, the lack of jobs still remains a major obstacle. Jobless claims have, until very recently, been well over 400,000 each week, a level typically associated with a decline in confidence. At the same time, other aspects of the economy are more positive, such as a rise in business confidence, and may explain why consumers have, overall, been so optimistic.”

Consumer confidence nationally, as reported by the University of Michigan, is up slightly, although the present expectations index is up by more than 7 points. The recent differences between what is happening nationally and what is happening in Florida reflect the lack of a real trend in both consumer confidence and the recovery. Florida’s economy, which is largely dependent on the service sector, sometimes reacts differently than other states that are more dependent on manufacturing. However, the lack of jobs is hitting all sectors, and until business investment increases to create more jobs, a steady increase in consumer confidence is unlikely.

“At 91, consumer confidence in Florida is relatively positive,” said McCarty. “If business confidence returns and companies once again invest in jobs, a recovery would not be far behind. Current estimates are that such a turnaround in the job market may not happen until the second quarter of 2004.”

### *Survey Method*

The consumer confidence index and its five component indexes are not percentages. The minimum value these indexes can take is 2 if all respondents answered pessimistically on all five questions, and 150 if all respondents answered optimistically on all five questions. The index is benchmarked to 1966, so that a value of 100 represents the same level of confidence for that year. The value of the index is in comparing changes over time rather than looking at an isolated month.

Consumer confidence is designed to measure the mood of consumers towards buying, and thus help to predict buying patterns. Although other economic indicators are also predictors of buying patterns, consumer confidence tends to be available sooner than these indicators. Consumer confidence is also designed to capture the effect of events that may affect buying patterns, but are not immediately reflected in other economic indicators.

The Florida Consumer Attitude Survey is conducted monthly by the UF Survey Research Center of the Bureau of Economic and Business Research at the University of Florida. This 70-station computerized lab surveys Floridians throughout the state through random-digit dialing. Responses are weighted to account for variable response rates across counties.

**FLORIDA ECONOMIC AND CONSUMER SURVEY**  
**July 24, 2003**  
**Bureau of Economic and Business Research**  
**University of Florida**

Jul-02 Aug-02 Sep-02 Oct-02 Nov-02 Dec-02 Jan-03 Feb-03 Mar-03 Apr-03 May-03 Jun-03\* Jul-03†

**Consumer Confidence Index**

FLORIDA	90	88	90	82	90	86	83	79	81	88	91	93	91
Men	98	96	94	87	95	92	91	88	93	96	96	100	95
Women	84	81	85	78	85	79	76	73	71	83	87	87	88
Under age 60	93	91	92	85	91	88	86	81	82	91	92	94	94
Aged 60 and over	81	81	83	76	88	80	76	77	80	81	90	89	84
Income under \$30,000	83	82	78	77	80	79	75	73	75	80	81	82	82
Income \$30,000 and over	95	93	97	87	95	89	88	85	86	93	96	100	97

**Personal financial situation now compared to a year ago**

FLORIDA	87	75	78	70	80	74	77	78	83	77	85	83	80
Men	94	80	83	72	89	75	81	84	92	79	90	90	81
Women	81	71	73	68	72	72	73	72	76	76	80	77	79
Under age 60	94	83	84	77	84	79	83	86	90	86	91	90	87
Aged 60 and over	66	55	58	51	65	60	63	58	68	52	71	62	64
Income under \$30,000	75	69	66	54	69	66	64	64	76	67	72	70	70
Income \$30,000 and over	94	81	89	79	86	78	86	90	90	85	95	92	87

**Personal financial situation expected one year from now**

FLORIDA	103	102	108	101	99	98	97	95	98	99	99	102	105
Men	105	106	108	103	103	103	101	97	104	103	106	103	107
Women	101	98	108	99	96	93	93	94	93	96	93	100	103
Under age 60	111	110	116	108	103	107	105	102	105	107	106	108	110
Aged 60 and over	81	80	81	81	82	79	76	76	84	80	81	80	89
Income under \$30,000	100	98	105	98	94	91	91	94	101	92	88	89	97
Income \$30,000 and over	108	106	114	104	104	105	104	98	100	103	107	109	111

**Expected national economic conditions over the next year**

FLORIDA	76	76	84	68	81	75	67	59	62	81	85	89	89
Men	85	88	87	75	83	83	79	66	78	90	90	97	94
Women	69	66	81	62	79	66	58	53	49	75	81	82	85
Under age 60	77	75	85	68	80	74	70	57	58	81	82	87	93
Aged 60 and over	75	82	82	71	84	78	60	66	74	82	95	95	78
Income under \$30,000	72	73	73	69	69	75	60	56	49	79	72	80	84
Income \$30,000 and over	80	79	92	70	83	76	70	63	68	81	88	95	92

**Expected national economic conditions over the next 5 years**

FLORIDA	82	84	80	75	85	77	73	74	73	86	88	84	78
Men	94	102	90	82	93	91	83	88	90	97	95	96	87
Women	72	69	70	68	79	63	66	62	59	78	83	75	69
Under age 60	83	83	79	73	82	79	74	73	71	85	83	82	76
Aged 60 and over	78	87	83	81	99	76	72	79	79	88	105	93	83
Income under \$30,000	78	75	61	68	69	66	69	62	65	77	74	70	64
Income \$30,000 and over	86	92	87	81	92	83	74	80	76	91	93	93	85

**Is this a good time to buy major household items?**

FLORIDA	101	101	99	98	105	103	100	92	90	97	100	106	106
Men	109	103	103	104	110	105	112	103	104	108	100	112	109
Women	95	100	95	92	101	102	92	82	78	88	99	102	103
Under age 60	100	103	96	98	104	101	97	87	88	95	100	104	105
Aged 60 and over	103	98	109	96	107	110	111	107	93	102	99	117	108
Income under \$30,000	91	94	87	95	96	98	89	89	85	83	98	103	96
Income \$30,000 and over	108	105	104	99	110	102	109	95	95	104	100	111	110

\*Revised. †Preliminary.

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

Sample Size	460	Race		Gender	
		% Non-white	24	% Male	47
Average age	48	% White	76	% Female	53
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	21	% Yes	16	% North	25
% \$20,000 to \$29,999	14	% No	84	% Central	18
% \$30,000 to \$49,999	26			% Southeast	26
% over \$50,000	39			% Southwest	31