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### ***Consumer Confidence***

Consumer confidence posted a one point gain from 88 in June to 89 in July. The source of the gain was in only two of the five components that make up the index. Perceptions of personal finances compared to a year ago fell four points to 84, while expectations about personal finances a year from now rose four points to 98. Perceptions of US economic conditions over the next year remained the same at 77 while Expectations of economic conditions over the next five years fell three points to 83. Perceptions as to whether it is a good time to buy big-ticket consumer items rose five points to 103.

“We are in an odd situation with consumer confidence in July given the revisions from last month,’ said Chris McCarty, the Survey Director. “The preliminary index we reported last month was 90, a point higher than this month. However a decrease in optimism in the final week resulted in a two point downward revision. This means that even though the index is at 89 this month, it is actually an increase over last month.”

The rise in confidence among Floridians was weak and is starting to show signs of the increased burden on consumers. All five of the components and the index are below their values from a year ago. The decline in the component measuring perceptions of personal finances was particularly large for Florida seniors and lower income households. This is due in large part to consistently high energy prices and the rise in interest rates.

“Although consumer confidence was up a point in July we expect the index to decline over the next several months,” said McCarty. “Indicators such as retail sales and chain store sales are already mirroring the effect of the current economy on consumers. We still expect a fairly pronounced effect here in Florida from the decline in the real estate market. This will come as a leveling or decline in home equity, the loss of construction jobs and declining sales for products related to home construction, such as appliances. We should see the full effect of this decline by end of the year, or the end of the first quarter of 2007.”

# FLORIDA ECONOMIC AND CONSUMER SURVEY†

July 25, 2006

Bureau of Economic and Business Research

University of Florida

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

### Consumer Confidence Index

FLORIDA	95	89	78	80	84	91	95	87	91	86	86	88	89
Men	99	94	85	88	88	96	99	92	99	94	93	91	96
Women	91	86	71	74	80	87	92	83	84	82	81	86	84
Under age 60	97	93	79	82	85	95	96	89	94	91	87	93	93
Aged 60 and over	89	82	74	74	82	83	92	84	86	81	83	82	79
Income under \$30,000	82	75	57	67	72	81	83	77	77	75	67	70	74
Income \$30,000 and over	103	96	86	86	89	97	100	92	97	93	92	95	94

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

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

### Personal financial situation expected one year from now

FLORIDA	100	97	90	90	92	95	99	95	96	92	92	94	99
Men	102	94	95	94	93	100	104	97	102	95	99	92	105
Women	98	99	86	87	90	92	96	93	90	90	88	95	94
Under age 60	107	104	98	98	101	105	109	106	107	107	99	106	108
Aged 60 and over	83	81	72	71	75	73	83	77	75	68	77	72	78
Income under \$30,000	95	90	74	81	78	89	96	81	85	82	74	77	82
Income \$30,000 and over	106	103	98	96	100	99	104	103	101	101	99	102	105

### Expected national economic conditions over the next year

FLORIDA	84	75	56	66	72	84	86	77	81	76	73	77	77
Men	90	83	67	78	74	90	92	81	93	88	85	87	83
Women	79	70	47	58	70	79	81	74	70	68	66	69	73
Under age 60	85	75	53	67	73	87	84	78	78	74	70	80	78
Aged 60 and over	83	76	64	68	72	81	89	76	86	80	81	76	72
Income under \$30,000	71	59	37	61	68	86	80	69	71	71	61	61	74
Income \$30,000 and over	93	80	61	68	73	86	90	81	82	79	78	85	77

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

FLORIDA	88	80	70	76	78	84	90	79	83	78	75	86	83
Men	96	89	76	86	84	91	94	85	96	91	80	89	93
Women	83	74	65	69	73	78	87	74	72	70	72	83	77
Under age 60	87	78	68	74	77	86	86	76	84	79	73	86	84
Aged 60 and over	92	84	72	81	80	81	97	84	84	80	79	85	81
Income under \$30,000	78	70	53	65	74	82	78	66	73	68	61	65	77
Income \$30,000 and over	96	84	76	81	78	86	94	84	86	86	80	90	85

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

FLORIDA	113	109	91	88	98	105	109	102	106	102	100	98	103
Men	115	117	99	95	107	107	109	107	109	104	108	97	108
Women	112	104	85	83	90	103	109	97	104	101	95	100	99
Under age 60	113	111	89	88	91	104	109	98	104	101	97	98	104
Aged 60 and over	113	103	95	90	110	105	113	107	110	107	106	99	99
Income under \$30,000	100	94	72	78	85	89	100	101	91	91	87	88	88
Income \$30,000 and over	119	114	101	96	103	114	113	101	112	107	103	102	107

\*Revised. †Preliminary.

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

Sample Size	456	Race		Gender	
		% Non-white	20	% Male	38
Average age	51	% White	80	% Female	62
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	16	% Yes	11	% North	24
% \$20,000 to \$29,999	10	% No	89	% Central	19
% \$30,000 to \$49,999	26			% Southeast	24
% over \$50,000	48			% Southwest	33