

FLORIDA CONSUMER CONFIDENCE INDEX
August 30, 2005
FOR IMMEDIATE RELEASE



**UNIVERSITY OF
FLORIDA**

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Consumer Confidence

Consumer confidence among Floridians fell three points in August. The overall index now stands at 92, compared to 95 in July. The survey registered five point declines in both of the components measuring perceptions of US economic conditions. Perceptions of short term economic conditions over the next year fell from 84 in July to 79 in August while perceptions of long term economic conditions over the next five years fell from 88 to 83. Perceptions of personal finances now compared to a year ago fell by one point from 87 in July to 86 in August. Perceptions of personal finances a year from now fell three points from 100 in July to 97 in August. Perceptions of whether it is a good time to buy big-ticket items remained unchanged at 113, the same level it was in June.

“The consumer confidence survey is clearly reflecting concerns over energy costs, both in the short run and the long run,” said Chris McCarty, the Survey Director. “Consumers in Florida are reporting little change in their current personal finances, but are anticipating problems in the coming year. This situation is unlikely to change much as gas prices, though expected to decline as summer demand falls, will not decline considerably. It is interesting to note that the index component measuring perceptions of whether it is a good time to buy have remained the same at a very high level. Despite the rising cost of energy, and rising consumer debt, consumers still think that it is a great time to buy big-ticket items like cars and appliances. This is reflected in the retail sales figures for July which show a 1.8 percent increase in overall sales, particularly auto sales. Chain store sales have suffered recently, a trend that has been blamed on the rising cost of gasoline. And there are signs that the housing market is beginning to slow, although it has remained stubbornly resilient as investors look to housing as a better investment than the stock market.”

Confidence fell both among both young and old, although it fell by four points among those older than age 60 and by two among those younger than age 60. The declines for Florida seniors were larger in the perceptions of personal finances categories, while for those under 60 they were higher in perceptions of US economic conditions.

Consumer confidence on a national level as measured by the University of Michigan using the same questions fell sharply in August as we had anticipated. The national index is now below that of Florida, which is in line with other economic indicators which show Florida in a better position than the rest of the country.

“Moving forward, consumer confidence in Florida may remain steady as demand for gasoline declines somewhat and cooler weather reduces energy bills,” said McCarty. “In the long term energy will likely remain at current levels since the changes that have brought on the increase, such as increased demand from China and India, are permanent changes. We can also expect some lowering in confidence as the housing market begins to cool. Florida is one state that has experienced high rates of speculative investment. As housing prices begin to stabilize, and even decline in some areas, some of those investors will undoubtedly be more pessimistic.”

FLORIDA ECONOMIC AND CONSUMER SURVEY
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Aug-04 Sep-04 Oct-04 Nov-04 Dec-04 Jan-05 Feb-05 Mar-05 Apr-05 May-05 Jun-05 July-05* Aug-05†

Consumer Confidence Index

FLORIDA	95	93	93	93	91	93	97	92	91	91	96	95	92
Men	105	102	100	103	97	99	102	96	94	96	99	99	98
Women	89	87	88	87	86	89	92	89	88	87	93	91	86
Under age 60	102	97	96	96	96	96	99	95	96	97	98	97	95
Aged 60 and over	81	84	85	90	82	90	93	88	83	81	91	89	85
Income under \$30,000	85	81	83	78	75	82	82	81	81	77	79	82	81
Income \$30,000 and over	103	100	100	102	99	101	102	98	96	99	101	103	97

Personal financial situation now compared to a year ago

FLORIDA	88	85	81	85	87	85	91	88	90	87	90	87	86
Men	98	92	83	97	90	90	98	94	94	95	92	91	90
Women	82	80	78	76	84	80	85	82	87	81	88	85	84
Under age 60	100	90	87	94	93	90	98	96	99	96	95	93	96
Aged 60 and over	60	71	67	69	75	75	77	71	76	72	80	73	66
Income under \$30,000	69	67	62	52	64	65	68	67	73	61	64	66	68
Income \$30,000 and over	100	97	91	103	98	97	100	101	100	102	100	99	95

Personal financial situation expected one year from now

FLORIDA	103	100	101	100	94	98	99	93	96	96	98	100	97
Men	113	109	109	108	99	102	102	95	99	99	98	102	96
Women	97	94	95	94	91	94	96	92	93	94	98	98	97
Under age 60	115	110	111	107	107	104	106	103	107	107	104	107	104
Aged 60 and over	77	77	79	86	69	86	83	76	76	76	80	83	81
Income under \$30,000	99	92	95	92	84	91	87	83	86	84	88	95	88
Income \$30,000 and over	107	108	107	106	101	104	105	102	100	104	102	106	103

Expected national economic conditions over the next year

FLORIDA	89	87	87	88	82	87	93	83	77	79	84	84	79
Men	99	98	95	97	90	95	100	85	81	86	93	90	88
Women	83	79	80	82	76	81	86	81	74	74	84	79	74
Under age 60	91	91	86	86	86	87	93	82	78	83	90	85	80
Aged 60 and over	85	78	87	92	76	88	96	84	74	69	82	83	81
Income under \$30,000	84	77	79	74	67	77	75	73	69	69	74	71	68
Income \$30,000 and over	94	91	91	96	89	95	100	87	81	83	90	93	84

Expected national economic conditions over the next 5 years

FLORIDA	89	90	92	85	87	88	88	84	80	82	88	88	83
Men	102	98	104	99	95	93	93	89	83	90	95	96	96
Women	81	85	82	74	81	84	83	79	78	76	85	83	75
Under age 60	92	91	95	80	88	87	87	80	79	86	89	87	81
Aged 60 and over	82	91	85	94	87	90	90	91	82	76	93	92	88
Income under \$30,000	74	82	86	74	65	76	72	73	65	70	72	78	77
Income \$30,000 and over	99	93	98	91	96	94	93	86	85	90	93	96	86

Is this a good time to buy major household items?

FLORIDA	108	102	105	109	104	110	113	114	110	111	113	113	113
Men	115	112	107	112	112	114	115	116	114	113	119	115	121
Women	104	96	102	107	97	106	112	113	107	109	110	112	108
Under age 60	112	102	103	110	106	110	113	112	114	111	111	113	115
Aged 60 and over	101	103	108	108	102	109	117	117	104	113	120	113	108
Income under \$30,000	97	86	93	99	96	99	106	108	111	101	96	100	103
Income \$30,000 and over	118	111	110	114	108	116	115	117	111	116	121	119	117

*Revised. †Preliminary.

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	399	Race		Gender	
		% Non-white	16	% Male	38
Average age	51	% White	84	% Female	62
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	19	% Yes	15	% North	24
% \$20,000 to \$29,999	8	% No	85	% Central	18
% \$30,000 to \$49,999	24			% Southeast	29
% over \$50,000	49			% Southwest	29