

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 fell sharply in October to 60, down eight points from the revised number for September. All five of the components fell. Perceptions of personal finances now compared to a year ago plummeted nine points to a new all-time low of 40, while perceptions of personal finances a year from now fell four points to 81. Expectations about U.S. economic conditions over the next year fell 11 points to 54 while expectations about U.S. economic conditions over the next five years fell two points to 75. Another all time low was reached by the component measuring whether it is a good time to buy big ticket items, that component falling fourteen points to 52.

“Florida consumers are becoming increasingly pessimistic about their ability to maintain financial stability,” said Chris McCarty, the Survey Director. “The record declines among the components measuring perceptions current of personal finances and whether it is a good time to buy registered record lows. These two components tend to be a bellwether for consumer spending. The timing of this release only includes surveys through Wednesday the 22nd. In all likelihood the revised number for October will be at or below our all-time low of 59 from June. Based on the current numbers it is likely to be a very rocky holiday season for retailers.”

Retail sales have been negative for the past three months and are likely to continue to deteriorate. Leading the declines are auto dealers, followed by home furnishing stores and clothing and accessories. Consumer credit in August went negative, reflecting the pullback of consumers in spending or the drying up of consumer credit. As is characteristic of most recessions, consumers are putting off discretionary purchases and holding onto their cash. Ultimately the pent-up demand from this pullback will help pull the economy out of recession.

“The question on everyone’s mind is how bad can this get and how long can it go on?” said McCarty. “We are clearly not going to have a 2001-style recession which was mild by any measure. We are hopefully looking at something like the recession of 1990-91 which was more severe than 2001, but much less severe than the recession of the 1970s. Most economists expect problems with the economy to persist at least through next year and possibly into 2010. Although there are signs of recovery in the credit markets, uncertainty home price stability remains a problem. I expect home prices in most of Florida to hit their lowest level before the end of the year, although some areas may take a bit longer.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
October 23, 2008
Bureau of Economic and Business Research
University of Florida

	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-07	Jul-08	Aug-08	Sep-08	Oct-08
Consumer Confidence Index													
FLORIDA	79	76	74	70	73	70	66	63	59	61	67	68	60
Men	85	80	79	75	79	74	67	70	61	65	72	71	64
Women	75	74	70	66	68	66	65	59	57	58	63	67	57
Under age 60	79	77	75	72	73	69	67	64	58	61	65	68	61
Aged 60 and over	79	76	72	68	74	70	64	63	60	60	70	68	60
Income under \$30,000	73	69	64	58	66	62	60	58	56	52	69	61	53
Income \$30,000 and over	80	80	77	74	76	74	67	66	59	62	66	68	63
Personal financial situation now compared to a year ago													
FLORIDA	69	70	64	65	65	64	59	55	51	46	51	49	40
Men	76	73	69	75	71	69	61	68	53	53	56	50	42
Women	64	68	61	56	59	59	58	47	50	41	47	49	39
Under age 60	70	73	67	67	66	67	63	56	56	52	52	50	44
Aged 60 and over	69	68	58	62	64	59	54	56	46	38	47	48	36
Income under \$30,000	54	59	41	42	50	47	40	43	35	34	40	30	34
Income \$30,000 and over	74	74	70	73	71	71	64	61	55	51	52	52	44
Personal financial situation expected one year from now													
FLORIDA	90	86	87	82	84	88	79	77	73	80	82	85	81
Men	96	89	89	83	89	90	80	82	72	84	83	84	82
Women	86	84	85	82	80	87	78	73	73	77	81	87	81
Under age 60	100	93	96	92	91	98	89	84	84	85	86	95	82
Aged 60 and over	75	78	75	70	76	73	65	65	57	68	77	72	81
Income under \$30,000	83	72	77	77	75	72	56	70	68	67	79	82	69
Income \$30,000 and over	93	94	91	89	89	94	85	78	74	81	84	86	86
Expected national economic conditions over the next year													
FLORIDA	73	62	65	55	65	58	52	51	51	51	64	65	54
Men	76	63	72	56	72	60	55	54	54	51	69	68	59
Women	71	61	60	54	59	56	50	48	48	51	61	62	49
Under age 60	71	59	62	56	64	50	49	49	47	48	59	63	54
Aged 60 and over	77	65	68	54	66	67	55	53	55	55	73	65	54
Income under \$30,000	71	58	66	52	66	54	48	50	58	46	75	69	48
Income \$30,000 and over	73	64	66	56	64	60	51	52	48	50	60	60	55
Expected national economic conditions over the next 5 years													
FLORIDA	78	79	79	74	83	76	72	70	69	68	80	77	75
Men	82	85	83	79	86	82	71	75	73	72	88	78	80
Women	75	75	77	71	80	71	73	66	66	66	75	76	69
Under age 60	72	76	78	72	81	71	69	69	64	65	76	76	74
Aged 60 and over	87	83	81	79	86	83	76	71	76	73	88	78	77
Income under \$30,000	75	70	66	58	77	70	46	69	78	58	84	78	74
Income \$30,000 and over	77	83	84	78	84	80	71	72	67	70	78	73	76
Is this a good time to buy major household items?													
FLORIDA	84	84	75	74	69	64	67	64	50	59	57	66	52
Men	93	89	82	81	75	71	69	71	51	66	65	73	56
Women	78	81	70	68	64	58	66	59	50	55	52	59	47
Under age 60	80	82	73	72	62	60	65	60	41	55	51	58	50
Aged 60 and over	90	88	76	77	75	70	68	71	65	66	65	74	54
Income under \$30,000	81	84	71	63	64	68	56	60	42	54	64	47	42
Income \$30,000 and over	84	88	75	75	70	66	64	64	50	58	55	69	55

*Revised. †Preliminary.

FLORIDA ECONOMIC AND CONSUMER SURVEY
October 23, 2008
Bureau of Economic and Business Research
University of Florida

CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	372	Race		Gender	
		% Non-white	15	% Male	52
Average age	56	% White	85	% Female	48
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	16	% Yes	11	% North	23
% \$20,000 to \$29,999	11	% No	89	% Central	19
% \$30,000 to \$49,999	17			% Southeast	26
% over \$50,000	56			% Southwest	32