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Consumer Confidence

Consumer confidence among Floridians rose three points in November to 93, the highest reading since January. The rise in confidence was due to increases in four of the five components. Personal finances now compared to a year ago rose two points to 84, while perceptions of personal finances a year from now rose three points to 100. Expectations about US economic conditions over the next year rose four points to 87 while perceptions of economic conditions over the next five years rose eight points to 93. The only component to decline was perceptions of buying conditions declined which fell by one point to 100.

“Consumers in Florida are optimistic going into the holiday season,” said Chris McCarty, the Survey Director. “This should be good news for retailers. Our expectations had been that high levels of consumer debt coupled with the downturn in the housing market would be a burden on consumers who would in turn curtail their spending. Based on these results this does not appear to be the case just yet. Interestingly, one of the largest gains was in the component measuring long term economic conditions. Given the lack of any major economic events in November, one has to wonder whether the election results in Florida, nationally, or both had an effect.”

On the positive side for consumers are high levels of employment and lower gasoline prices. On the negative side are record levels of debt and the downturn in housing. The buildup of inventory has led to sharp declines in housing sales statewide, as well as declines in prices in selected markets. The collateral damage from this is potentially severe in Florida, particularly among those who depend on housing as a substantial source of wealth. So far these fears, as measured by consumer confidence, have not been realized.

“At this point I would have to forecast at least a moderate holiday season based on these results,” said McCarty. “My expectation had been that housing would lead to a decline in confidence, and a decline in consumer spending. Although this might still happen, this close to the holidays it is not likely. Any severe downturn in the economy due to housing is not likely until 2007.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
November 28, 2006
Bureau of Economic and Business Research
University of Florida

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

Consumer Confidence Index

FLORIDA	84	91	95	87	91	86	86	88	87	77	83	90	93
Men	88	96	99	92	99	94	93	91	92	84	90	98	96
Women	80	87	92	83	84	82	81	86	84	72	78	84	90
Under age 60	85	95	96	89	94	91	87	93	90	79	86	94	97
Aged 60 and over	82	83	92	84	86	81	83	82	79	73	80	82	87
Income under \$30,000	72	81	83	77	77	75	67	70	74	62	72	81	82
Income \$30,000 and over	89	97	100	92	97	93	92	95	91	83	89	95	98

Personal financial situation now compared to a year ago

FLORIDA	80	88	88	83	89	84	88	87	80	74	76	82	84
Men	84	90	94	89	95	91	95	92	87	76	78	95	92
Women	76	85	84	78	83	80	84	83	76	72	75	74	77
Under age 60	85	93	93	88	98	94	97	93	87	79	81	90	94
Aged 60 and over	71	76	80	76	73	67	72	78	65	62	66	69	68
Income under \$30,000	54	61	61	71	66	65	51	61	47	52	53	59	55
Income \$30,000 and over	91	98	97	91	101	94	102	96	91	81	85	91	97

Personal financial situation expected one year from now

FLORIDA	92	95	99	95	96	92	92	94	98	91	89	97	100
Men	93	100	104	97	102	95	99	92	103	98	90	105	104
Women	90	92	96	93	90	90	88	95	95	86	87	91	97
Under age 60	101	105	109	106	107	107	99	106	107	100	101	109	113
Aged 60 and over	75	73	83	77	75	68	77	72	76	71	69	74	81
Income under \$30,000	78	89	96	81	85	82	74	77	82	77	83	88	85
Income \$30,000 and over	100	99	104	103	101	101	99	102	104	98	93	102	108

Expected national economic conditions over the next year

FLORIDA	72	84	86	77	81	76	73	77	76	62	73	83	87
Men	74	90	92	81	93	88	85	87	78	68	86	96	92
Women	70	79	81	74	70	68	66	69	74	57	64	75	83
Under age 60	73	87	84	78	78	74	70	80	76	60	72	84	85
Aged 60 and over	72	81	89	76	86	80	81	76	73	64	78	83	91
Income under \$30,000	68	86	80	69	71	71	61	61	74	49	63	73	77
Income \$30,000 and over	73	86	90	81	82	79	78	85	75	65	79	90	91

Expected national economic conditions over the next 5 years

FLORIDA	78	84	90	79	83	78	75	86	82	73	77	85	93
Men	84	91	94	85	96	91	80	89	89	85	88	92	91
Women	73	78	87	74	72	70	72	83	77	65	70	81	93
Under age 60	77	86	86	76	84	79	73	86	82	71	76	86	94
Aged 60 and over	80	81	97	84	84	80	79	85	81	79	84	84	90
Income under \$30,000	74	82	78	66	73	68	61	65	76	60	70	87	92
Income \$30,000 and over	78	86	94	84	86	86	80	90	83	76	84	87	93

Is this a good time to buy major household items?

FLORIDA	98	105	109	102	106	102	100	98	100	87	100	101	100
Men	107	107	109	107	109	104	108	97	105	93	108	103	100
Women	90	103	109	97	104	101	95	100	96	82	94	100	101
Under age 60	91	104	109	98	104	101	97	98	100	84	100	102	99
Aged 60 and over	110	105	113	107	110	107	106	99	98	92	102	99	103
Income under \$30,000	85	89	100	101	91	91	87	88	89	74	90	98	102
Income \$30,000 and over	103	114	113	101	112	107	103	102	103	92	108	102	102

*Revised. †Preliminary.

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	426	Race		Gender	
		% Non-white	14	% Male	46
Average age	53	% White	86	% Female	54
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	14	% Yes	9	% North	23
% \$20,000 to \$29,999	13	% No	91	% Central	18
% \$30,000 to \$49,999	24			% Southeast	27
% over \$50,000	49			% Southwest	32