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### *Consumer Confidence*

Consumer confidence fell from 79 in October to 77 in November. The fall of two points was fueled by declines in two of the five components that make up the index. Perceptions of personal finances now compared to a year ago rose two points to 71, while perceptions of personal finances a year from now fell four points to 86. Perceptions of U.S. economic conditions over the next year had a precipitous drop from 73 in October to 62 in November. Perceptions of U.S. economic conditions over the next five years rose two points to 80. Perceptions of whether it is a good time to buy big-ticket items remained unchanged at 84.

“We were a bit perplexed by the rise in confidence last month,” said Chris McCarty, the Survey Director. “It now appears that rise was a reaction to a short term decline in gas prices early in October. Now that gas prices have, as expected, gone up confidence is at the same level as September. One component in particular, perceptions of U.S. economic conditions over the next year fell 11 points. In contrast, perceptions of U.S. economic conditions over the next five years rose. Florida consumers seem to understand the gravity of the fallout from the housing crisis and resulting credit crunch, but they still believe in the long term viability of the U.S. economy to turn this around.”

The situation with housing shows no signs of improving any time soon. The consequences of the downturn continue to unfold. In addition to those directly affected, such as Floridians who have had their homes foreclosed or who cannot sell their home, the housing crisis has many indirect effects. Lenders who re-sold loans or packaged mortgage debt in elaborate securities are now facing the backlash from investors, many who are international. This has created a shortage of credit that has fueled not only home loans, but many other kinds of spending, from corporations buying each other to consumers buying a car. Much of this activity is on hold as investors, both domestic and internationally, wait to see how this plays out.

“The growing pessimism about U.S. economic conditions seems to be among all income levels,” said McCarty. “Perceptions of personal finances showed a little more improvement among low income households, but a slight decline among middle and upper income households. Overall we expect the holiday retail season to be weak compared to last year as consumers are cautious to spend too much. We expect growth in retail sales for the holiday season of no more than three percent, and possibly much lower. As the housing market in Florida continues to decline, Floridians feel less financial stability. We expect the housing market to bottom out by the second quarter of 2008 at which time existing home prices will be low enough that some prospective buyers will make purchases. However, 2005 prices are years away.”

# FLORIDA ECONOMIC AND CONSUMER SURVEY†

November 30, 2007

Bureau of Economic and Business Research

University of Florida

	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07
<b>Consumer Confidence Index</b>													
FLORIDA	93	90	89	92	86	85	81	82	81	78	77	79	77
Men	96	95	95	97	90	94	88	89	82	83	76	85	80
Women	91	87	84	87	83	78	76	77	81	75	76	75	74
Under age 60	96	92	91	97	91	89	83	86	83	81	81	79	77
Aged 60 and over	88	87	87	84	79	80	79	77	77	76	73	79	77
Income under \$30,000	83	77	82	81	70	70	68	70	67	67	66	73	68
Income \$30,000 and over	98	98	93	95	92	93	87	89	88	84	81	80	82
<b>Personal financial situation now compared to a year ago</b>													
FLORIDA	84	84	80	84	80	83	77	78	73	72	71	69	71
Men	93	88	87	90	83	93	79	86	71	79	75	76	75
Women	78	81	73	79	78	74	76	72	75	67	75	64	68
Under age 60	92	86	81	94	89	89	83	86	78	78	72	70	74
Aged 60 and over	70	78	78	69	67	75	69	66	64	65	70	69	68
Income under \$30,000	57	62	62	58	48	60	50	51	48	49	45	54	57
Income \$30,000 and over	96	94	88	94	91	94	89	88	83	83	80	74	76
<b>Personal financial situation expected one year from now</b>													
FLORIDA	101	96	92	94	90	93	89	88	89	88	86	90	86
Men	104	95	103	97	92	98	95	94	86	92	83	96	90
Women	97	97	83	92	89	88	84	83	91	85	83	86	84
Under age 60	111	105	108	109	101	106	98	98	99	99	97	100	94
Aged 60 and over	82	81	71	74	73	73	77	72	71	73	71	75	78
Income under \$30,000	84	89	86	86	79	80	80	76	81	83	74	83	71
Income \$30,000 and over	107	101	97	99	93	97	95	97	95	93	90	93	95
<b>Expected national economic conditions over the next year</b>													
FLORIDA	88	84	83	85	78	76	74	75	73	70	69	73	62
Men	93	89	86	92	86	85	86	80	72	75	66	76	64
Women	85	81	80	78	71	68	65	71	73	66	66	71	61
Under age 60	86	85	77	87	80	73	75	75	71	67	71	71	60
Aged 60 and over	93	84	91	82	75	79	74	75	74	76	69	77	66
Income under \$30,000	76	69	78	79	68	61	62	69	60	63	69	71	58
Income \$30,000 and over	91	92	85	86	83	83	79	78	77	71	68	73	65
<b>Expected national economic conditions over the next 5 years</b>													
FLORIDA	93	85	83	87	81	79	76	82	80	77	80	78	80
Men	92	95	88	95	86	89	88	88	83	79	78	82	85
Women	94	77	79	80	77	71	67	79	78	76	78	75	76
Under age 60	94	87	85	87	81	83	76	82	78	75	82	72	77
Aged 60 and over	91	82	82	86	82	74	78	84	83	81	78	87	84
Income under \$30,000	94	70	83	77	64	62	66	75	65	72	75	75	70
Income \$30,000 and over	92	94	84	88	89	85	80	86	88	79	81	77	85
<b>Is this a good time to buy major household items?</b>													
FLORIDA	101	103	106	109	99	97	90	87	91	85	81	84	84
Men	100	110	110	111	100	107	94	97	96	91	80	93	87
Women	101	97	104	108	98	87	87	76	88	80	80	78	81
Under age 60	98	99	102	110	101	96	85	90	90	85	83	80	81
Aged 60 and over	105	109	114	108	97	98	98	85	94	86	78	90	88
Income under \$30,000	104	94	101	106	89	86	81	79	79	68	68	81	81
Income \$30,000 and over	103	107	108	108	101	103	92	94	95	92	85	84	88

\*Revised. †Preliminary.

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

Sample Size	475	Race		Gender	
		% Non-white	15	% Male	42
Average age	55	% White	85	% Female	58
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	15	% Yes	10	% North	25
% \$20,000 to \$29,999	12	% No	90	% Central	17
% \$30,000 to \$49,999	23			% Southeast	25
% over \$50,000	50			% Southwest	33