

From:  
UF Survey Research Center  
Bureau of Economic and Business Research  
College of Liberal Arts and Sciences  
University of Florida  
P. O. Box 117145, Gainesville, Florida 32611-7145

Contact:  
Chris McCarty, Survey Director  
Office: (352) 392-2908 ext. 100

### *Consumer Sentiment*

Consumer sentiment among Floridians hit a post-recession high of 86 in November, an increase of two points over October. The last time sentiment was this high in Florida was March 2007, over seven and a half years ago. Of the five components that make up the index three increased, one decreased and one remained unchanged. Perceptions of personal finances now compared to a year ago increased two points to 75 while expectations of personal finances a year from now fell a point to 82. Expectations of U.S. economic conditions over the next year rose three points to 85 while expectations of U.S. economic conditions over the next five years remained unchanged at 86. Perceptions as to whether it is a good time to buy big ticket items, such as cars or appliances, rose three points to 100, the highest that component has been since February 2007.

“We had been expecting a slight decline in sentiment in the November reading related to the election,” said Chris McCarty, the Survey Director. “Since 2006 the index had fallen in the November of a presidential or mid-term election, in part due to the even split between Democrats and Republicans in Florida. Given the close race for governor we expected a decline. There is a tendency for Democrats to be more optimistic than Republicans, which was the case in November. While confidence among Democrats did decline, it was not enough to outweigh increased confidence overall.”

Economic conditions in Florida helped fuel the rise in sentiment. The unemployment rate in October fell .1 percent to 6.0, slightly higher than the U.S. unemployment rate of 5.8 percent. Florida added 34,000 jobs compared to September while the labor force rose by 22,000. The median price of a single family home fell \$3,000 to \$177,000, although that price is 4.6 percent higher than a year ago. The growth in housing prices, a driver of the recovery, may slow in the coming year as a number of factors, including the possibility of a Federal Reserve rate hike, may make housing less affordable. Currently mortgage rates are still near historical lows with the average 30 year fixed rate below 4.0. The stock market hit record highs in November which is reflected in higher sentiment scores for upper income households (an increase of 4 points), compared to lower income households (a decline of 7 points). Inflation continues to be low, particularly the price of gasoline which at \$2.83 a gallon puts extra money in the pockets of consumers, at least in the short run. While part of the price decline in gasoline is due to increased supply from the U.S. due to fracking, much of it is due to a decrease in demand internationally as Europe, China and many emerging markets lower their consumption due to slower economies.

Low inflation and low interest rates combined with the sustained value in home prices are big contributors to the rise in perceptions as to whether it is a good time to buy.

“While we are still a bit behind where we should be this far out from the end of the recession, this rise in sentiment bodes well for the holiday season,” said McCarty. “While retail sales have been mixed over the past year and actually declined in September, expectations are that this will be an excellent holiday season with growth forecast at more than 5%. There are several reasons for this. The last two holiday seasons were relatively weak, particularly last year given the severe winter weather. This makes the comparison favorable for strong growth, and pent-up demand becoming a factor. The low price of gas will put more money in consumers’ pockets and low interest rates, the high stock market and relatively stable housing prices make consumers wealthier than they have been, although much of that wealth is concentrated in upper income households. Next year will present some new challenges for consumers, and therefore retailers during the holidays, but for now retailers should expect healthy holiday sales.”

**FLORIDA ECONOMIC AND CONSUMER SURVEY†**  
**November 25, 2014**  
**Bureau of Economic and Business Research**  
**University of Florida**

	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14
<b>Consumer Sentiment Index</b>													
FLORIDA	77	77	78	78	80	80	78	82	82	82	83	84	86
Men	82	79	80	80	83	82	80	85	86	85	85	86	89
Women	72	74	75	75	77	77	75	80	77	80	81	82	82
Under age 60	79	86	79	82	85	83	78	88	88	86	89	89	89
Aged 60 and over	77	71	77	75	77	77	77	79	75	80	78	82	82
Income under \$30,000	65	71	75	61	68	65	66	74	73	71	69	82	75
Income \$30,000 and over	83	79	81	86	86	87	84	87	86	85	88	87	91
<b>Personal financial situation now compared to a year ago</b>													
FLORIDA	69	69	66	63	72	69	71	76	73	74	75	73	75
Men	80	75	71	68	77	73	75	79	79	81	79	74	79
Women	58	63	62	58	66	64	67	73	68	66	72	71	70
Under age 60	69	80	67	69	74	77	70	82	83	82	84	81	80
Aged 60 and over	68	61	65	59	69	65	72	73	65	67	69	67	71
Income under \$30,000	45	50	56	39	49	47	49	66	51	54	53	71	52
Income \$30,000 and over	79	75	70	74	81	81	80	81	82	77	83	74	84
<b>Personal financial situation expected one year from now</b>													
FLORIDA	74	78	80	76	83	78	76	83	81	85	83	83	82
Men	77	79	83	78	86	80	78	85	83	89	83	87	83
Women	70	77	76	74	79	75	73	80	79	81	84	80	81
Under age 60	82	96	96	91	98	92	89	102	97	100	100	96	91
Aged 60 and over	68	67	71	66	72	70	65	71	67	72	72	76	74
Income under \$30,000	65	77	77	68	80	70	66	82	76	77	80	83	76
Income \$30,000 and over	78	81	84	84	88	85	80	87	83	87	86	86	86
<b>Expected national economic conditions over the next year</b>													
FLORIDA	76	73	76	79	82	78	74	80	80	80	79	82	85
Men	77	76	73	82	85	83	76	77	83	80	81	84	86
Women	75	70	78	77	79	73	72	83	78	80	77	81	83
Under age 60	76	77	75	82	86	79	78	85	86	80	83	86	88
Aged 60 and over	77	69	77	77	80	77	71	77	76	80	76	81	80
Income under \$30,000	66	72	77	58	69	66	67	77	79	68	63	77	83
Income \$30,000 and over	81	73	78	89	87	87	80	83	85	84	83	85	86
<b>Expected national economic conditions over the next 5 years</b>													
FLORIDA	76	74	81	79	77	81	76	78	81	80	81	86	86
Men	74	76	80	82	78	83	78	81	86	79	83	87	90
Women	78	71	82	77	75	79	74	76	75	80	78	85	81
Under age 60	74	75	80	79	81	79	74	83	82	77	83	86	87
Aged 60 and over	78	72	82	80	75	81	77	75	78	82	79	85	83
Income under \$30,000	73	67	86	58	73	69	69	71	76	72	68	93	79
Income \$30,000 and over	78	75	82	89	83	86	82	83	84	82	85	85	90
<b>Is this a good time to buy major household items?</b>													
FLORIDA	92	91	86	90	86	92	90	94	93	94	96	97	100
Men	105	90	93	89	87	92	92	101	100	95	97	99	105
Women	80	91	80	92	84	92	88	88	85	93	94	96	95
Under age 60	93	101	78	87	85	87	82	90	93	89	94	94	98
Aged 60 and over	93	83	91	93	87	94	99	98	91	99	95	100	103
Income under \$30,000	78	86	80	81	71	74	81	75	85	83	79	86	82
Income \$30,000 and over	100	93	92	95	90	96	97	99	96	95	103	103	107
*Revised. †Preliminary.	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14

**FLORIDA ECONOMIC AND CONSUMER SURVEY**  
**November 25, 2014**  
**Bureau of Economic and Business Research**  
**University of Florida**

**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

<b>Sample Size</b>	414	<b>Race</b>		<b>Gender</b>	
		% Non-white	15	% Male	52
<b>Average age</b>	62	% White	85	% Female	48
<b>Income Characteristics</b>		<b>Hispanic Origin</b>		<b>Region</b>	
% less than \$20,000	16	% Yes	9	% North	26
% \$20,000 to \$29,999	15	% No	91	% Central	19
% \$30,000 to \$49,999	21			% Southeast	19
% over \$50,000	48			% Southwest	36

**Data Collection Dates:** November 1 to 20, 2014