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Consumer Sentiment

Consumer sentiment among Floridians increased in February by 1.6 points, once again setting a post-recession high and continuing a 7-month stretch of increases. Of the five components, two increased and three decreased. The main driver of the increase in the index was perceptions of personal finances now compared to a year ago which rose 7.6 points to 85.1. This is the highest level for this component since June 2006 when the Florida housing market was at its peak. Expectations of personal finances a year from now declined slightly by .4 to 101.6. Expectations of U.S. economic conditions over the next year fell 1.3 points to 94.4, while expectations of U.S. economic conditions over the next five years fell .4 to 91.4. Perceptions as to whether it is a good time to buy big ticket items, such as cars or appliances, rose 2.2 to 100.8.

“Economic optimism among Floridians continues to advance as many of the fundamentals show improvement,” said Chris McCarty, the Survey Director. “While there are still lingering questions regarding some aspects of this recovery, most of the indicators suggest a continued path of growth. This has been a slow recovery, in large part due to the severity of the Great Recession, but the Florida economy is currently doing well.”

Florida Employment estimates for January will not be available until mid-March, but the December report was positive with unemployment at 5.6 percent, the same as the nation. January unemployment for the U.S. crept up to 5.7 percent and claims for unemployment benefits fell sharply, potentially an indication that the labor market has recovered and more people are now coming back into the labor force. It would not be surprising for Florida, the third largest state, to show a similar pattern when the January numbers are released. Florida tourism has again achieved a record number of visitors and is likely to continue to break records with the harsh winter in the Northeast and idyllic weather in Florida. Housing prices for existing single family homes were up 7.4% over the previous year, although they were down \$10,000 from December to \$175,000. Housing gains vary considerably across the state with South Florida, and particularly Miami, among the bright spots. Floridians invested in the stock market are likely experiencing significant gains with most indexes at record highs. Gas prices, which make up a significant portion of the budget for lower income households, still remain low at \$2.30 although they are up nearly 30 cents from the previous month. Florida’s favorable economic recovery is reflected in a nearly \$1 billion budget surplus heading into the 2015 legislative session.

“While much of the world economy struggles the U.S. economy seems to be hitting its stride, and Florida is emblematic of that recovery in many ways.” said McCarty. “Most indicators are quite positive, but there are still some signs of weakness that make some economists think twice. The main concern is wage growth, which has not risen in line with the increase in employment. This is particularly a problem in Florida. Low wage growth is a contributing factor to persistently slow inflation which has led Janet Yellen and the Federal Reserve to be cautious about raising short term interest rates. Based on recent testimony the Fed is still on track to raise rates sometime between June and September, but that could change if the recovery stalls. When the Fed does raise rates there will likely be at least short term effects in the stock market and in housing.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
February 27, 2015
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	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Consumer Sentiment Index													
FLORIDA	77.5	80.0	79.6	77.5	82.2	81.5	82.4	82.8	84.3	85.9	87.6	93.1	94.7
Men	79.7	82.8	82.1	80.0	84.7	86.0	84.7	84.5	86.2	88.3	89.5	99.8	99.9
Women	75.4	76.8	76.9	74.9	79.8	76.8	80.0	81.1	82.4	83.3	85.7	86.9	89.8
Under age 60	81.6	84.7	82.8	78.4	88.4	88.2	85.6	88.6	88.8	89.5	91.6	96.2	99.5
Aged 60 and over	75.0	76.7	77.4	77.0	78.6	75.4	79.6	78.1	81.7	82.5	86.0	86.1	81.0
Income under \$50,000	60.8	68.3	65.5	66.4	73.9	73.4	70.9	68.7	82.0	75.2	79.3	88.5	90.1
Income \$50,000 and over	86.2	85.9	86.9	83.8	86.7	86.2	85.0	88.2	86.6	91.6	92.2	101.8	104.9
Personal financial situation now compared to a year ago													
FLORIDA	62.9	71.7	68.7	71.1	76.0	73.5	73.6	75.2	72.6	75.8	73.3	77.5	85.1
Men	68.2	77.3	73.4	75.2	79.4	78.5	80.7	78.6	74.4	80.2	76.6	86.8	92.4
Women	57.5	65.5	63.8	66.7	72.9	68.2	66.3	71.7	70.9	71.0	69.9	68.9	78.3
Under age 60	69.1	74.2	77.1	69.8	81.7	83.0	81.9	84.0	81.2	81.3	79.2	84.2	92.5
Aged 60 and over	59.0	69.1	64.6	72.4	72.9	64.9	66.9	68.6	67.2	71.5	70.5	64.1	64.7
Income under \$50,000	39.1	48.7	47.0	49.4	65.7	51.2	53.7	53.4	71.0	51.8	60.8	68.8	74.6
Income \$50,000 and over	73.8	81.3	80.8	79.7	81.1	82.4	77.5	83.2	73.7	86.5	78.3	89.3	102.8
Personal financial situation expected one year from now													
FLORIDA	75.8	83.0	77.5	75.6	82.7	80.6	84.6	83.4	83.3	81.9	85.7	102.0	101.6
Men	77.8	86.2	79.6	78.0	85.5	82.6	88.6	82.8	87.1	82.2	89.4	105.0	105.1
Women	73.9	79.4	75.3	73.0	80.1	78.5	80.6	83.9	79.7	81.6	81.8	99.2	98.3
Under age 60	90.6	97.9	92.3	88.7	101.9	96.5	100.3	100.0	96.3	91.1	100.4	110.7	108.5
Aged 60 and over	66.3	72.3	69.7	64.7	70.7	67.2	71.6	72.2	75.8	74.7	76.2	82.0	81.6
Income under \$50,000	68.0	79.7	70.0	66.0	81.5	75.9	77.3	80.5	83.1	75.6	77.2	101.0	101.4
Income \$50,000 and over	84.0	88.5	84.8	79.5	86.8	83.4	87.1	86.3	85.7	86.0	92.3	105.6	111.0
Expected national economic conditions over the next year													
FLORIDA	79.1	82.4	78.2	74.4	80.1	80.5	79.8	79.0	82.5	85.8	87.0	95.7	94.4
Men	81.6	85.1	82.5	76.4	76.9	83.2	79.7	80.7	84.0	86.2	88.9	100.5	101.6
Women	76.6	79.4	73.5	72.2	83.0	77.6	79.8	77.3	81.0	85.4	84.9	91.1	87.7
Under age 60	82.5	85.5	79.3	77.6	84.6	85.8	79.9	82.5	86.0	89.1	89.2	97.5	98.5
Aged 60 and over	77.0	79.9	77.4	71.3	77.1	76.0	79.5	75.7	80.7	81.7	86.7	89.2	84.1
Income under \$50,000	57.6	68.9	66.5	67.0	76.9	79.3	68.1	62.5	76.9	82.4	82.1	92.1	91.6
Income \$50,000 and over	89.0	86.9	86.6	80.1	83.2	84.8	84.1	83.5	85.5	88.9	89.8	104.3	99.8
Expected national economic conditions over the next 5 years													
FLORIDA	79.5	76.9	81.3	76.1	78.1	80.6	79.5	80.9	85.6	85.1	87.3	91.9	91.4
Men	81.9	78.2	83.3	78.0	80.8	86.0	79.2	83.4	86.6	87.6	86.7	102.9	94.1
Women	77.0	75.5	79.2	74.1	75.6	74.9	79.8	78.5	84.6	82.5	87.9	81.7	88.8
Under age 60	78.8	80.9	78.6	74.2	83.3	82.5	76.7	82.7	86.4	85.8	85.0	90.7	95.6
Aged 60 and over	80.2	74.9	81.4	77.4	75.0	78.3	81.6	79.1	85.0	82.8	89.3	93.0	79.0
Income under \$50,000	58.4	72.8	69.4	68.6	70.8	75.7	72.0	68.4	93.4	78.8	86.8	88.7	90.0
Income \$50,000 and over	89.5	82.8	86.2	82.3	83.3	84.4	81.6	85.1	85.0	89.6	88.8	99.6	94.6
Is this a good time to buy major household items?													
FLORIDA	90.4	85.8	92.1	90.4	94.0	92.6	94.4	95.5	97.4	100.9	104.9	98.6	100.8
Men	88.8	87.0	91.7	92.2	101.1	99.8	95.3	97.0	98.8	105.4	105.8	104.0	106.3
Women	92.0	84.4	92.5	88.5	87.5	85.0	93.4	93.9	96.0	96.0	104.0	93.5	95.6
Under age 60	87.1	84.8	86.7	81.6	90.5	93.4	89.3	94.0	94.1	100.2	103.9	98.0	102.5
Aged 60 and over	92.5	87.2	94.2	99.2	97.5	90.6	98.6	95.2	99.7	101.8	107.3	102.2	95.6
Income under \$50,000	80.7	71.5	74.4	80.8	74.7	85.0	83.1	78.7	85.6	87.4	89.5	91.9	92.7
Income \$50,000 and over	94.8	90.0	96.3	97.5	99.1	96.2	94.7	102.8	103.2	106.7	111.7	110.3	116.1
*Revised. †Preliminary.	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	445	Race		Gender	
		% Non-white	26	% Male	56
Average age	46	% White	74	% Female	44
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	23	% Yes	22	% North	22
% \$20,000 to \$29,999	13	% No	78	% Central	17
% \$30,000 to \$49,999	19			% Southeast	35
% over \$50,000	45			% Southwest	26

Data Collection Dates: February 1 to 22, 2015