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Consumer Sentiment

Consumer sentiment among Floridians increased in March by more than 3 points to 96.8, the highest reading in 10 years. The survey showed increases in all five of the components that make up the index. Perceptions of personal finances now compared to a year ago increase 1.3 points to 86.2 while expectations of personal finances a year from now increased 2.4 points to 103.6. The latter component has not been that high since August 2004. Perceptions of U.S. economic conditions over the next year rose 1.2 points to 94.6 while expectations of U.S. economic conditions over the next five years rose 3.4 points to 93.6, the highest since July 2004. Perceptions as to whether it is a good time to buy big ticket items, such as a car or appliance surged 7.4 points to 106.1.

“Florida consumers are particularly optimistic in March about the future,” said Chris McCarty, director of UF’s Survey Research Center in the Bureau of Economic and Business Research. “The three components that are forward-looking are much higher than they have been for quite some time. Overall the index reflects a Florida consumer who is really feeling a recovery. Increases in the overall index were broad-based across age and income groups. There were some differences in the components by these groups. Gains in the component comparing personal finances now to a year ago were higher among households making less than \$50,000 (+4.5) compared to those making more than \$50,000 (-1.9). An even greater difference was in perceptions of U.S. economic conditions over the next five years as those making under \$50,000 decreased (-2) while those making more than \$50,000 surged (+9.4). This reflects lower income households who have made some gains recently but are less optimistic about the future. Upper income households appear to be happy with future trends.”

Recent economic data for Florida is positive, particularly for higher income households. Housing prices increased in February to \$180,000 for the median price of a single family home, up \$5,000 from the previous month and a 9.1% increase from a year before. Mortgage rates have been declining over the past month and are once again near historic lows. Those Floridians invested in the stock market have reason for optimism as recent levels recovered from a mid-month decline and are now getting closer to record levels. While employment data for February are not available until Friday the 27th, January data show unemployment remaining steady at 5.7 percent. While the U6 measure of unemployment which reflects part-time and discouraged workers as unemployed is still higher in Florida (12.8 percent) compared to the U.S. (12 percent), it has declined considerably from 19.3 percent in 2010. Gas prices remain quite low, and with a strengthening U.S. dollar, the currency used for international oil exchange, they are likely to stay low for a while longer.

“For now Florida’s economy is doing quite well with the caveat that wages remain persistently stagnant,” said McCarty. “Many economists see signs that wages will pick up. For example, the quit rate, the percent of people who quit a job out of all those employed is up to 2 percent in January from 1.7 percent a year ago. For southern states it is even higher. This often implies that workers see better-paying opportunities which later translate to higher wages. Despite somewhat stagnant wages and inflation below the target of 2 percent, the Federal Reserve appears on track to

begin raising short term interest rates in June. This will have an effect on Florida, particularly housing sales, as mortgage rates will also rise.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
March 27, 2015

Bureau of Economic and Business Research
University of Florida

	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Consumer Sentiment Index													
FLORIDA	80.0	79.6	77.5	82.2	81.5	82.4	82.8	84.3	85.9	87.6	93.1	93.7	96.8
Men	82.8	82.1	80.0	84.7	86.0	84.7	84.5	86.2	88.3	89.5	99.8	97.1	99.4
Women	76.8	76.9	74.9	79.8	76.8	80.0	81.1	82.4	83.3	85.7	86.9	90.5	94.4
Under age 60	84.7	82.8	78.4	88.4	88.2	85.6	88.6	88.8	89.5	91.6	96.2	97.8	101.5
Aged 60 and over	76.7	77.4	77.0	78.6	75.4	79.6	78.1	81.7	82.5	86.0	86.1	82.6	85.7
Income under \$50,000	68.3	65.5	66.4	73.9	73.4	70.9	68.7	82.0	75.2	79.3	88.5	89.5	91.0
Income \$50,000 and over	85.9	86.9	83.8	86.7	86.2	85.0	88.2	86.6	91.6	92.2	101.8	102.8	104.3
Personal financial situation now compared to a year ago													
FLORIDA	71.7	68.7	71.1	76.0	73.5	73.6	75.2	72.6	75.8	73.3	77.5	84.9	86.2
Men	77.3	73.4	75.2	79.4	78.5	80.7	78.6	74.4	80.2	76.6	86.8	90.3	89.9
Women	65.5	63.8	66.7	72.9	68.2	66.3	71.7	70.9	71.0	69.9	68.9	79.8	82.6
Under age 60	74.2	77.1	69.8	81.7	83.0	81.9	84.0	81.2	81.3	79.2	84.2	90.9	92.2
Aged 60 and over	69.1	64.6	72.4	72.9	64.9	66.9	68.6	67.2	71.5	70.5	64.1	68.8	72.4
Income under \$50,000	48.7	47.0	49.4	65.7	51.2	53.7	53.4	71.0	51.8	60.8	68.8	74.6	79.1
Income \$50,000 and over	81.3	80.8	79.7	81.1	82.4	77.5	83.2	73.7	86.5	78.3	89.3	100.9	99.0
Personal financial situation expected one year from now													
FLORIDA	83.0	77.5	75.6	82.7	80.6	84.6	83.4	83.3	81.9	85.7	102.0	101.2	103.6
Men	86.2	79.6	78.0	85.5	82.6	88.6	82.8	87.1	82.2	89.4	105.0	104.2	104.5
Women	79.4	75.3	73.0	80.1	78.5	80.6	83.9	79.7	81.6	81.8	99.2	98.5	102.9
Under age 60	97.9	92.3	88.7	101.9	96.5	100.3	100.0	96.3	91.1	100.4	110.7	107.5	111.4
Aged 60 and over	72.3	69.7	64.7	70.7	67.2	71.6	72.2	75.8	74.7	76.2	82.0	84.2	83.9
Income under \$50,000	79.7	70.0	66.0	81.5	75.9	77.3	80.5	83.1	75.6	77.2	101.0	101.0	100.5
Income \$50,000 and over	88.5	84.8	79.5	86.8	83.4	87.1	86.3	85.7	86.0	92.3	105.6	110.2	109.7
Expected national economic conditions over the next year													
FLORIDA	82.4	78.2	74.4	80.1	80.5	79.8	79.0	82.5	85.8	87.0	95.7	93.4	94.6
Men	85.1	82.5	76.4	76.9	83.2	79.7	80.7	84.0	86.2	88.9	100.5	97.9	97.0
Women	79.4	73.5	72.2	83.0	77.6	79.8	77.3	81.0	85.4	84.9	91.1	89.2	92.4
Under age 60	85.5	79.3	77.6	84.6	85.8	79.9	82.5	86.0	89.1	89.2	97.5	96.7	97.9
Aged 60 and over	79.9	77.4	71.3	77.1	76.0	79.5	75.7	80.7	81.7	86.7	89.2	85.5	86.5
Income under \$50,000	68.9	66.5	67.0	76.9	79.3	68.1	62.5	76.9	82.4	82.1	92.1	90.8	90.7
Income \$50,000 and over	86.9	86.6	80.1	83.2	84.8	84.1	83.5	85.5	88.9	89.8	104.3	98.7	98.4
Expected national economic conditions over the next 5 years													
FLORIDA	76.9	81.3	76.1	78.1	80.6	79.5	80.9	85.6	85.1	87.3	91.9	90.2	93.6
Men	78.2	83.3	78.0	80.8	86.0	79.2	83.4	86.6	87.6	86.7	102.9	90.6	97.3
Women	75.5	79.2	74.1	75.6	74.9	79.8	78.5	84.6	82.5	87.9	81.7	89.8	90.0
Under age 60	80.9	78.6	74.2	83.3	82.5	76.7	82.7	86.4	85.8	85.0	90.7	93.8	97.4
Aged 60 and over	74.9	81.4	77.4	75.0	78.3	81.6	79.1	85.0	82.8	89.3	93.0	80.0	83.9
Income under \$50,000	72.8	69.4	68.6	70.8	75.7	72.0	68.4	93.4	78.8	86.8	88.7	88.8	86.8
Income \$50,000 and over	82.8	86.2	82.3	83.3	84.4	81.6	85.1	85.0	89.6	88.8	99.6	93.0	102.4
Is this a good time to buy major household items?													
FLORIDA	85.8	92.1	90.4	94.0	92.6	94.4	95.5	97.4	100.9	104.9	98.6	98.7	106.1
Men	87.0	91.7	92.2	101.1	99.8	95.3	97.0	98.8	105.4	105.8	104.0	102.6	108.3
Women	84.4	92.5	88.5	87.5	85.0	93.4	93.9	96.0	96.0	104.0	93.5	95.0	104.1
Under age 60	84.8	86.7	81.6	90.5	93.4	89.3	94.0	94.1	100.2	103.9	98.0	100.2	108.5
Aged 60 and over	87.2	94.2	99.2	97.5	90.6	98.6	95.2	99.7	101.8	107.3	102.2	94.7	101.5
Income under \$50,000	71.5	74.4	80.8	74.7	85.0	83.1	78.7	85.6	87.4	89.5	91.9	92.3	97.9
Income \$50,000 and over	90.0	96.3	97.5	99.1	96.2	94.7	102.8	103.2	106.7	111.7	110.3	111.3	112.3
*Revised. †Preliminary.	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	419	Race		Gender	
		% Non-white	24	% Male	55
Average age	47	% White	76	% Female	45
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	18	% Yes	21	% North	24
% \$20,000 to \$29,999	13	% No	79	% Central	19
% \$30,000 to \$49,999	18			% Southeast	25
% over \$50,000	51			% Southwest	32

Data Collection Dates: March 1 to 23, 2015