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### *Consumer Sentiment*

Consumer sentiment among Floridians unexpectedly fell in April by more than three points to 94.1. All five of the components that make up the index declined. Perceptions of personal finances now compared to a year ago fell nearly four points from 88.1 to 84.3 while expectations of personal finances a year from now fell from 104.7 to 103.3. Expectations of U.S. economic conditions over the next year fell from 95.4 to 91.8 while expectations of U.S. economic conditions over the next five years fell from 92.4 to 90.2. Perceptions as to whether it is a good time to buy big ticket items, such as a car or appliance fell more than five points from 106 to 100.7. The most significant declines for the overall index were among households with an annual income above \$50,000 which experienced a nearly five point decline while lower income households were unchanged. The major contributor to this decline were expectations of personal finances a year from now. Upper income households fell from 109.7 to 101.2 on that component while lower income households rose from 101.5 to 108.3. There was also a very sharp decline of nearly 12 point among those aged 60 and over on perceptions of personal finances now compared to a year ago.

“The overall sentiment index had been rising in most months since May to a post-recession high of 97.3 last month,” said Chris McCarty, the Survey Director. “This decline comes at a time when most other economic indicators are positive. It appears that upper income households are anticipating a slowdown in those parts of the economy that affect them the most. We think that increasing talk about the Federal Reserve raising short term interest rates and the effect this may have on assets such as stock market investments and housing values, is the most likely source of that uncertainty.”

Most indicators reflect a strong Florida economy. The recent employment report showed the unemployment rate for Florida unchanged from February at 5.7 percent, .2 percentage points higher than U.S. unemployment which came in at 5.5 percent. The increase in the number of jobs was led by leisure and hospitality which attracted a record number of visitors both domestically and internationally. The increase in Florida visitors also contributed to other service jobs such as those in retail trade. These tend to be lower wage jobs leaving the growth in Florida wages lower than other states. For example, 2006 and 2014 wage growth in Texas out-paced Florida in 27 of 35 months. Wage growth in Texas was 25.7 percent higher in 2014 than in 2006 compared to an increase in Florida of 16 percent. In the third quarter of 2014 average weekly wages were \$826 in Florida, \$988 in Texas and \$1,631 in the District of Columbia, the highest in the country. Florida housing prices continued to rise in March as the median price for a single family home increased by \$10,000 to \$190,000, up 9.2 percent from a year ago. The stock market has mostly risen in April and is up 1.3% for the year. Both housing prices and the stock market will likely decline in the short run in response to an interest rate hike by the Federal Reserve. Gas prices have remained low which helps lower income households and may in part explain their increased optimism. Persistently low gas prices would have a negative effect on Floridians with investments related to those industries.

“In many ways Florida is a great example of the hesitation the Federal Reserve has in raising short term interest rates,” said McCarty. “In most ways the economy looks sound. We are creating jobs, housing prices have made huge

gains since hitting their post-recession low in 2011, industries such as tourism are doing as well as they ever have. But something just isn't quite right with slow wage growth and very low labor force participation. The Federal Reserve will likely raise interest rates this year, probably in June, but perhaps not until September. The first hike will almost certainly be low, but it is important for them to raise them to show that the economy does not need zero percent interest rates to survive."

**FLORIDA ECONOMIC AND CONSUMER SURVEY†**  
**April 24, 2015**  
**Bureau of Economic and Business Research**  
**University of Florida**

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
<b>Consumer Sentiment Index</b>													
FLORIDA	79.6	77.5	82.2	81.5	82.4	82.8	84.3	85.9	87.6	93.1	93.7	97.3	94.1
Men	82.1	80.0	84.7	86.0	84.7	84.5	86.2	88.3	89.5	99.8	97.1	100.1	97.5
Women	76.9	74.9	79.8	76.8	80.0	81.1	82.4	83.3	85.7	86.9	90.5	94.7	90.8
Under age 60	82.8	78.4	88.4	88.2	85.6	88.6	88.8	89.5	91.6	96.2	97.8	101.9	99.2
Aged 60 and over	77.4	77.0	78.6	75.4	79.6	78.1	81.7	82.5	86.0	86.1	82.6	85.5	82.9
Income under \$50,000	65.5	66.4	73.9	73.4	70.9	68.7	82.0	75.2	79.3	88.5	89.5	91.4	91.3
Income \$50,000 and over	86.9	83.8	86.7	86.2	85.0	88.2	86.6	91.6	92.2	101.8	102.8	105.1	100.2
<b>Personal financial situation now compared to a year ago</b>													
FLORIDA	68.7	71.1	76.0	73.5	73.6	75.2	72.6	75.8	73.3	77.5	84.9	88.1	84.3
Men	73.4	75.2	79.4	78.5	80.7	78.6	74.4	80.2	76.6	86.8	90.3	92.3	89.1
Women	63.8	66.7	72.9	68.2	66.3	71.7	70.9	71.0	69.9	68.9	79.8	84.2	79.9
Under age 60	77.1	69.8	81.7	83.0	81.9	84.0	81.2	81.3	79.2	84.2	90.9	93.4	92.6
Aged 60 and over	64.6	72.4	72.9	64.9	66.9	68.6	67.2	71.5	70.5	64.1	68.8	75.3	63.5
Income under \$50,000	47.0	49.4	65.7	51.2	53.7	53.4	71.0	51.8	60.8	68.8	74.6	80.8	77.1
Income \$50,000 and over	80.8	79.7	81.1	82.4	77.5	83.2	73.7	86.5	78.3	89.3	100.9	99.3	98.6
<b>Personal financial situation expected one year from now</b>													
FLORIDA	77.5	75.6	82.7	80.6	84.6	83.4	83.3	81.9	85.7	102.0	101.2	104.7	103.3
Men	79.6	78.0	85.5	82.6	88.6	82.8	87.1	82.2	89.4	105.0	104.2	104.9	106.0
Women	75.3	73.0	80.1	78.5	80.6	83.9	79.7	81.6	81.8	99.2	98.5	104.5	100.7
Under age 60	92.3	88.7	101.9	96.5	100.3	100.0	96.3	91.1	100.4	110.7	107.5	112.6	113.0
Aged 60 and over	69.7	64.7	70.7	67.2	71.6	72.2	75.8	74.7	76.2	82.0	84.2	83.3	79.4
Income under \$50,000	70.0	66.0	81.5	75.9	77.3	80.5	83.1	75.6	77.2	101.0	101.0	101.5	108.3
Income \$50,000 and over	84.8	79.5	86.8	83.4	87.1	86.3	85.7	86.0	92.3	105.6	110.2	109.7	101.2
<b>Expected national economic conditions over the next year</b>													
FLORIDA	78.2	74.4	80.1	80.5	79.8	79.0	82.5	85.8	87.0	95.7	93.4	95.4	91.8
Men	82.5	76.4	76.9	83.2	79.7	80.7	84.0	86.2	88.9	100.5	97.9	97.9	94.2
Women	73.5	72.2	83.0	77.6	79.8	77.3	81.0	85.4	84.9	91.1	89.2	93.1	89.6
Under age 60	79.3	77.6	84.6	85.8	79.9	82.5	86.0	89.1	89.2	97.5	96.7	98.7	96.4
Aged 60 and over	77.4	71.3	77.1	76.0	79.5	75.7	80.7	81.7	86.7	89.2	85.5	86.2	82.0
Income under \$50,000	66.5	67.0	76.9	79.3	68.1	62.5	76.9	82.4	82.1	92.1	90.8	90.4	89.0
Income \$50,000 and over	86.6	80.1	83.2	84.8	84.1	83.5	85.5	88.9	89.8	104.3	98.7	101.5	96.4
<b>Expected national economic conditions over the next 5 years</b>													
FLORIDA	81.3	76.1	78.1	80.6	79.5	80.9	85.6	85.1	87.3	91.9	90.2	92.4	90.2
Men	83.3	78.0	80.8	86.0	79.2	83.4	86.6	87.6	86.7	102.9	90.6	97.7	94.5
Women	79.2	74.1	75.6	74.9	79.8	78.5	84.6	82.5	87.9	81.7	89.8	87.4	86.2
Under age 60	78.6	74.2	83.3	82.5	76.7	82.7	86.4	85.8	85.0	90.7	93.8	96.0	92.9
Aged 60 and over	81.4	77.4	75.0	78.3	81.6	79.1	85.0	82.8	89.3	93.0	80.0	82.7	87.2
Income under \$50,000	69.4	68.6	70.8	75.7	72.0	68.4	93.4	78.8	86.8	88.7	88.8	85.7	89.8
Income \$50,000 and over	86.2	82.3	83.3	84.4	81.6	85.1	85.0	89.6	88.8	99.6	93.0	101.3	92.3
<b>Is this a good time to buy major household items?</b>													
FLORIDA	92.1	90.4	94.0	92.6	94.4	95.5	97.4	100.9	104.9	98.6	98.7	106.0	100.7
Men	91.7	92.2	101.1	99.8	95.3	97.0	98.8	105.4	105.8	104.0	102.6	108.0	103.9
Women	92.5	88.5	87.5	85.0	93.4	93.9	96.0	96.0	104.0	93.5	95.0	104.2	97.8
Under age 60	86.7	81.6	90.5	93.4	89.3	94.0	94.1	100.2	103.9	98.0	100.2	108.9	101.0
Aged 60 and over	94.2	99.2	97.5	90.6	98.6	95.2	99.7	101.8	107.3	102.2	94.7	100.1	102.4
Income under \$50,000	74.4	80.8	74.7	85.0	83.1	78.7	85.6	87.4	89.5	91.9	92.3	98.5	92.2
Income \$50,000 and over	96.3	97.5	99.1	96.2	94.7	102.8	103.2	106.7	111.7	110.3	111.3	113.6	112.5
*Revised. †Preliminary.	<b>Apr-14</b>	<b>May-14</b>	<b>Jun-14</b>	<b>Jul-14</b>	<b>Aug-14</b>	<b>Sep-14</b>	<b>Oct-14</b>	<b>Nov-14</b>	<b>Dec-14</b>	<b>Jan-15</b>	<b>Feb-15</b>	<b>Mar-15</b>	<b>Apr-15</b>

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

<b>Sample Size</b>	397	<b>Race</b>		<b>Gender</b>	
		% Non-white	32	% Male	61
<b>Average age</b>	45	% White	68	% Female	39
<b>Income Characteristics</b>		<b>Hispanic Origin</b>		<b>Region</b>	
% less than \$20,000	21	% Yes	25	% North	23
% \$20,000 to \$29,999	14	% No	75	% Central	21
% \$30,000 to \$49,999	19			% Southeast	30
% over \$50,000	46			% Southwest	26

**Data Collection Dates:** April 1 to 19, 2015