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### *Consumer Sentiment*

Consumer sentiment among Floridians fell nearly three points in September to 87.9. Among the five components that make up the index four declined and one increased. Perceptions of personal finances now compared to a year ago fell 2.1 points to 80.5 while expectations of personal finances a year from now fell 3.5 points to 96.9. Expectations of U.S. economic conditions over the next year fell 5.9 points to 83 while expectations of U.S. economic conditions over the next five years fell 6.1 points to 82.3. Perceptions as to whether it is a good time to buy big ticket items rose 3.5 points to 96.7.

“Given the correction in the stock market at the end of August we expected our index to decline this month,” said Chris McCarty, the Survey Director. “At that time the market was, and still is, reacting to growing weakness in the Chinese economy, a significant driver of global economic growth. A slower Chinese economy indicates lower global demand and a decline in demand from Chinese manufacturers for global inputs. It also raises uncertainty over economic and political stability in a region that has become reliant on China as the anchor. While U.S. stock markets have stabilized in the short run we are down 5.4 percent for the year, and at one point we were down more than 10 percent. This is reflected in the breakdown of the components by demographics. The sharpest declines were among older respondents and those making more than \$50,000 per year on the short and long run expectations of U.S. economic conditions. Both groups are likely concerned that further corrections are coming.”

The unemployment rate declined again in August to 5.3 percent, only .2 percent higher than the U.S. rate of 5.1. Unlike previous releases the primary gains were in private education and health services. There was a modest decline in the labor force which contributed to lower unemployment. The labor force participation rate declined again and is now down to 58.4 percent. While the Florida labor force participation rate has been historically lower than the U.S. given the higher proportion of seniors, Florida’s participation rate has declined sharply relative to the U.S. since the beginning of the year and is now 4.2 percent lower than the U.S. This is a trend that must change for Florida’s economy to improve. Housing prices for August, while up over 11 percent from the previous year, flattened compared to a month before. Mortgage rates have been declining since June with the rate for a 30 year fixed mortgage at 3.79 percent. With the Federal Reserve poised to raise rates very slowly it is still a good time to buy a home for those who can qualify and afford the down payment. Retail sales have been weak in part due to falling energy prices. Gas prices will go below \$2 a gallon in many parts of Florida by the end of the year.

“There was a lot of anticipation leading up to the Federal Reserve meeting in September with about half of economists expecting a small rate increase and half expecting rates to stay the same,” said McCarty. “While the Fed decided to leave rates alone they have signaled that there will be a modest increase either in October or December. Another factor that will affect confidence in October is the possible government shutdown over funding for Planned Parenthood. Unlike the shutdown in 2013 over budgets, this one were it to occur could be more difficult to resolve yet would have similar negative effects on the economy.”

**FLORIDA ECONOMIC AND CONSUMER SURVEY†**  
**September 25, 2015**  
**Bureau of Economic and Business Research**  
**University of Florida**

	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
<b>Consumer Sentiment Index</b>													
FLORIDA	82.8	84.3	85.9	87.6	93.1	93.7	97.3	94.7	87.9	89.8	90.5	90.7	87.9
Men	84.5	86.2	88.3	89.5	99.8	97.1	100.1	97.6	89.7	93.4	92.4	95.9	90.1
Women	81.1	82.4	83.3	85.7	86.9	90.5	94.7	92.1	86.2	86.4	88.7	85.9	85.7
Under age 60	88.6	88.8	89.5	91.6	96.2	97.8	101.9	100.1	92.0	94.4	93.8	93.1	92.5
Aged 60 and over	78.1	81.7	82.5	86.0	86.1	82.6	85.5	83.6	76.2	79.5	78.7	84.9	76.1
Income under \$50,000	68.7	82.0	75.2	79.3	88.5	89.5	91.4	90.6	83.3	87.0	84.4	85.8	87.1
Income \$50,000 and over	88.2	86.6	91.6	92.2	101.8	102.8	105.1	101.3	95.4	96.3	96.9	98.2	90.7
<b>Personal financial situation now compared to a year ago</b>													
FLORIDA	75.2	72.6	75.8	73.3	77.5	84.9	88.1	85.3	84.2	79.3	85.9	82.6	80.5
Men	78.6	74.4	80.2	76.6	86.8	90.3	92.3	89.4	88.3	85.2	87.8	89.7	84.8
Women	71.7	70.9	71.0	69.9	68.9	79.8	84.2	81.5	80.5	73.7	84.1	76.0	76.4
Under age 60	84.0	81.2	81.3	79.2	84.2	90.9	93.4	93.7	89.7	83.5	93.4	87.0	85.9
Aged 60 and over	68.6	67.2	71.5	70.5	64.1	68.8	75.3	65.5	69.1	69.5	59.0	71.3	65.3
Income under \$50,000	53.4	71.0	51.8	60.8	68.8	74.6	80.8	76.7	71.6	73.2	71.2	71.8	75.3
Income \$50,000 and over	83.2	73.7	86.5	78.3	89.3	100.9	99.3	100.2	99.8	91.0	100.8	96.4	87.5
<b>Personal financial situation expected one year from now</b>													
FLORIDA	83.4	83.3	81.9	85.7	102.0	101.2	104.7	103.2	94.3	102.9	101.8	100.4	96.9
Men	82.8	87.1	82.2	89.4	105.0	104.2	104.9	105.9	97.0	101.1	102.4	100.2	96.3
Women	83.9	79.7	81.6	81.8	99.2	98.5	104.5	100.7	91.8	104.7	101.2	100.6	97.5
Under age 60	100.0	96.3	91.1	100.4	110.7	107.5	112.6	114.0	102.1	111.0	106.5	106.7	106.3
Aged 60 and over	72.2	75.8	74.7	76.2	82.0	84.2	83.3	78.2	73.3	84.4	84.7	80.0	74.9
Income under \$50,000	80.5	83.1	75.6	77.2	101.0	101.0	101.5	106.2	92.9	106.1	99.7	102.3	97.1
Income \$50,000 and over	86.3	85.7	86.0	92.3	105.6	110.2	109.7	103.3	98.3	101.5	103.4	101.8	97.5
<b>Expected national economic conditions over the next year</b>													
FLORIDA	79.0	82.5	85.8	87.0	95.7	93.4	95.4	93.2	85.6	85.0	83.9	88.9	83.0
Men	80.7	84.0	86.2	88.9	100.5	97.9	97.9	94.2	87.7	90.6	85.4	95.8	81.4
Women	77.3	81.0	85.4	84.9	91.1	89.2	93.1	92.2	83.5	79.7	82.5	82.6	84.6
Under age 60	82.5	86.0	89.1	89.2	97.5	96.7	98.7	97.6	90.6	91.2	85.7	90.6	87.1
Aged 60 and over	75.7	80.7	81.7	86.7	89.2	85.5	86.2	83.9	71.2	71.9	77.5	86.8	73.2
Income under \$50,000	62.5	76.9	82.4	82.1	92.1	90.8	90.4	88.1	84.4	82.6	78.8	82.5	86.7
Income \$50,000 and over	83.5	85.5	88.9	89.8	104.3	98.7	101.5	98.6	89.5	90.9	88.7	97.6	77.5
<b>Expected national economic conditions over the next 5 years</b>													
FLORIDA	80.9	85.6	85.1	87.3	91.9	90.2	92.4	90.0	81.3	84.5	83.2	88.4	82.3
Men	83.4	86.6	87.6	86.7	102.9	90.6	97.7	94.0	81.7	87.0	84.3	97.1	84.5
Women	78.5	84.6	82.5	87.9	81.7	89.8	87.4	86.3	80.8	82.0	82.2	80.3	80.3
Under age 60	82.7	86.4	85.8	85.0	90.7	93.8	96.0	92.6	84.8	89.0	84.8	88.7	85.1
Aged 60 and over	79.1	85.0	82.8	89.3	93.0	80.0	82.7	87.0	70.0	75.1	79.5	89.5	75.7
Income under \$50,000	68.4	93.4	78.8	86.8	88.7	88.8	85.7	88.2	80.8	81.9	80.1	83.4	82.5
Income \$50,000 and over	85.1	85.0	89.6	88.8	99.6	93.0	101.3	92.6	84.0	92.7	85.5	98.3	84.2
<b>Is this a good time to buy major household items?</b>													
FLORIDA	95.5	97.4	100.9	104.9	98.6	98.7	106.0	101.9	94.3	97.5	97.6	93.2	96.7
Men	97.0	98.8	105.4	105.8	104.0	102.6	108.0	104.4	94.0	103.2	102.1	96.6	103.7
Women	93.9	96.0	96.0	104.0	93.5	95.0	104.2	99.6	94.5	92.0	93.4	90.1	90.0
Under age 60	94.0	94.1	100.2	103.9	98.0	100.2	108.9	102.5	92.9	97.3	98.5	92.7	98.1
Aged 60 and over	95.2	99.7	101.8	107.3	102.2	94.7	100.1	103.2	97.3	96.6	93.1	97.0	91.4
Income under \$50,000	78.7	85.6	87.4	89.5	91.9	92.3	98.5	93.9	87.0	91.0	92.2	89.0	93.7
Income \$50,000 and over	102.8	103.2	106.7	111.7	110.3	111.3	113.6	112.0	105.5	105.4	105.8	96.9	106.8
*Revised. †Preliminary.	<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>	<b>May-15</b>	<b>Jun-15</b>	<b>Jul-15</b>	<b>Aug-15</b>	<b>Sep-15</b>

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

<b>Sample Size</b>	426	<b>Race</b>		<b>Gender</b>	
		% Non-white	29	% Male	51
<b>Average age</b>	47	% White	71	% Female	49
<b>Income Characteristics</b>		<b>Hispanic Origin</b>		<b>Region</b>	
% less than \$20,000	21	% Yes	24	% North	18
% \$20,000 to \$29,999	18	% No	76	% Central	24
% \$30,000 to \$49,999	20			% Southeast	30
% over \$50,000	41			% Southwest	28

**Data Collection Dates:** September 1 to 20, 2015