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Consumer Confidence

Consumer confidence among Floridians fell dramatically in January, down four points to 70. This is the lowest the index has been since December 1991. The source of the decline was among four of the five components that make up the index. The largest decline was in consumers' expectations about US economic conditions over the next year which fell ten points to 55, the lowest level for this component since August 1992. Perceptions of US economic conditions over the next five years fell five points to 74. Perceptions of personal finances now compared to a year ago rose one point to 65, the only component that increased. Expectations about personal finances one year from now fell five points to 82. Perceptions as to whether it is a good time to buy big-ticket consumer items fell one point to 74.

“Consumer confidence in Florida reflects the same conditions we had during the recession of 1990-1991,” said Chris McCarty, the Survey Director. “Although we had a recession in 2001, it was mild by comparison to the 1990-91 recession. That one lasted three quarters and resulted in the loss of nearly two million jobs. Florida is almost certainly in a recession now, and the US is not far behind. Most economists agree that we are in for at least two quarters of very low growth.”

It is now old news that the housing crisis and the related effects on credit markets caused the current turmoil. The hope is that the economic stimulus package making its way through Congress will negate some of these effects and at least temporarily get consumers back in the stores. If consumers can continue to support the economy until exports and business investment increase, the recession may be more like 2001 than 1990-91. The worst case is a scenario like the 1970s where the country experienced two recessions with long-lasting effects.

“There is still some possibility that recessionary conditions will remain localized to some states, such as Florida and California,” said McCarty. “The preliminary consumer confidence reading for the nation from the University of Michigan was up five points to 80, a full ten points more than Florida. Unfortunately those states that are experiencing recessionary conditions make up a very large part of the total U.S. economy. It is very possible that the effects of the housing crunch in these states may result in a recession for the entire country, if we aren't in one already.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
January 31, 2008
Bureau of Economic and Business Research
University of Florida

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08
Consumer Confidence Index													
FLORIDA	89	92	86	85	81	82	81	78	77	79	76	74	70
Men	95	97	90	94	88	89	82	83	76	85	80	79	75
Women	84	87	83	78	76	77	81	75	76	75	74	70	66
Under age 60	91	97	91	89	83	86	83	81	81	79	77	75	72
Aged 60 and over	87	84	79	80	79	77	77	76	73	79	76	72	68
Income under \$30,000	82	81	70	70	68	70	67	67	66	73	69	64	58
Income \$30,000 and over	93	95	92	93	87	89	88	84	81	80	80	77	74
Personal financial situation now compared to a year ago													
FLORIDA	80	84	80	83	77	78	73	72	71	69	70	64	65
Men	87	90	83	93	79	86	71	79	75	76	73	69	75
Women	73	79	78	74	76	72	75	67	75	64	68	61	56
Under age 60	81	94	89	89	83	86	78	78	72	70	73	67	67
Aged 60 and over	78	69	67	75	69	66	64	65	70	69	68	58	62
Income under \$30,000	62	58	48	60	50	51	48	49	45	54	59	41	42
Income \$30,000 and over	88	94	91	94	89	88	83	83	80	74	74	70	73
Personal financial situation expected one year from now													
FLORIDA	92	94	90	93	89	88	89	88	86	90	86	87	82
Men	103	97	92	98	95	94	86	92	83	96	89	89	83
Women	83	92	89	88	84	83	91	85	83	86	84	85	82
Under age 60	108	109	101	106	98	98	99	99	97	100	93	96	92
Aged 60 and over	71	74	73	73	77	72	71	73	71	75	78	75	70
Income under \$30,000	86	86	79	80	80	76	81	83	74	83	72	77	77
Income \$30,000 and over	97	99	93	97	95	97	95	93	90	93	94	91	89
Expected national economic conditions over the next year													
FLORIDA	83	85	78	76	74	75	73	70	69	73	62	65	55
Men	86	92	86	85	86	80	72	75	66	76	63	72	56
Women	80	78	71	68	65	71	73	66	66	71	61	60	54
Under age 60	77	87	80	73	75	75	71	67	71	71	59	62	56
Aged 60 and over	91	82	75	79	74	75	74	76	69	77	65	68	54
Income under \$30,000	78	79	68	61	62	69	60	63	69	71	58	66	52
Income \$30,000 and over	85	86	83	83	79	78	77	71	68	73	64	66	56
Expected national economic conditions over the next 5 years													
FLORIDA	83	87	81	79	76	82	80	77	80	78	79	79	74
Men	88	95	86	89	88	88	83	79	78	82	85	83	79
Women	79	80	77	71	67	79	78	76	78	75	75	77	71
Under age 60	85	87	81	83	76	82	78	75	82	72	76	78	72
Aged 60 and over	82	86	82	74	78	84	83	81	78	87	83	81	79
Income under \$30,000	83	77	64	62	66	75	65	72	75	75	70	66	58
Income \$30,000 and over	84	88	89	85	80	86	88	79	81	77	83	84	78
Is this a good time to buy major household items?													
FLORIDA	89	92	86	85	81	82	81	78	77	79	76	74	70
Men	95	97	90	94	88	89	82	83	76	85	80	79	75
Women	84	87	83	78	76	77	81	75	76	75	74	70	66
Under age 60	91	97	91	89	83	86	83	81	81	79	77	75	72
Aged 60 and over	87	84	79	80	79	77	77	76	73	79	76	72	68
Income under \$30,000	82	81	70	70	68	70	67	67	66	73	69	64	58
Income \$30,000 and over	93	95	92	93	87	89	88	84	81	80	80	77	74

*Revised. †Preliminary.

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	533	Race		Gender	
		% Non-white	15	% Male	43
Average age	56	% White	85	% Female	57
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	16	% Yes	9	% North	24
% \$20,000 to \$29,999	10	% No	91	% Central	20
% \$30,000 to \$49,999	19			% Southeast	25
% over \$50,000	55			% Southwest	31