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**Favorable buying conditions for consumers**

From:  
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*Consumer Confidence*

Consumer confidence among Floridians edged up two points in June to 93. The index is now only one point lower than at the same time last year. The gains in confidence were primarily due to a five point increase in perceptions of whether it is a good time to buy big ticket items, and smaller but statistically significant increases in optimism over future personal finances and short-term economic conditions.

“The main reason for the rise in consumer confidence is clearly the favorable buying conditions for consumers,” said Chris McCarty, the Survey Director. “Floridians see very low interest rates on homes, cars and credit cards. This coupled with aggressive pricing on the part of retailers attempting to keep them coming into their stores and to liquidate an unexpected growth in inventories, has made for some great deals. Reports from our respondents are that personal finances are in reasonably good shape. This is somewhat unusual given other indicators that suggest a large proportion of consumers may be having difficulty.”

The weak point in the economy continues to be the lack of new jobs. Claims for unemployment insurance are still well above 400,000 every week, a threshold that for many economists is a red flag for the potential for recession. Personal bankruptcies continue to break new records and consumer debt is at record highs. Despite these trends, consumers have been maintaining growth in retail sales, although nothing like the growth that was seen through out the 1990s.

“The mid-month release from the University of Michigan shows their national index falling four points,” said McCarty. “The source of that fall was in consumers’ perceptions of current conditions, such as their personal finances. This is more the pattern we have been expecting in Florida, that is, a gradual fall in confidence as consumers continue to struggle with the negative factors in the economy. So far in Florida that has not happened, that is consumers’ personal finances remain steady while buying conditions improve.

Overall, I expect that Florida is a bit behind the nation in terms of how this economy affects consumers. If nothing improves soon, eventually even Floridians will respond with lower levels of confidence.”

### *Survey Method*

The consumer confidence index and its five component indexes are not percentages. The minimum value these indexes can take is 2 if all respondents answered pessimistically on all five questions, and 150 if all respondents answered optimistically on all five questions. The index is benchmarked to 1966, so that a value of 100 represents the same level of confidence for that year. The value of the index is in comparing changes over time rather than looking at an isolated month.

Consumer confidence is designed to measure the mood of consumers towards buying, and thus help to predict buying patterns. Although other economic indicators are also predictors of buying patterns, consumer confidence tends to be available sooner than these indicators. Consumer confidence is also designed to capture the effect of events that may affect buying patterns, but are not immediately reflected in other economic indicators.

The Florida Consumer Attitude Survey is conducted monthly by the UF Survey Research Center of the Bureau of Economic and Business Research at the University of Florida. This 70-station computerized lab surveys Floridians throughout the state through random-digit dialing. Responses are weighted to account for variable response rates across counties.

**FLORIDA ECONOMIC AND CONSUMER SURVEY**  
**June 24, 2003**  
**Bureau of Economic and Business Research**  
**University of Florida**

Jun-02 Jul-02 Aug-02 Sep-02 Oct-02 Nov-02 Dec-02 Jan-03 Feb-03 Mar-03 Apr-03 May-03\* Jun-03†

**Consumer Confidence Index**

FLORIDA	94	90	88	90	82	90	86	83	79	81	88	91	93
Men	100	98	96	94	87	95	92	91	88	93	96	96	99
Women	89	84	81	85	78	85	79	76	73	71	83	87	87
Under age 60	97	93	91	92	85	91	88	86	81	82	91	92	94
Aged 60 and over	88	81	81	83	76	88	80	76	77	80	81	90	89
Income under \$30,000	93	83	82	78	77	80	79	75	73	75	80	81	84
Income \$30,000 and over	97	95	93	97	87	95	89	88	85	86	93	96	99

**Personal financial situation now compared to a year ago**

FLORIDA	88	87	75	78	70	80	74	77	78	83	77	85	84
Men	92	94	80	83	72	89	75	81	84	92	79	90	91
Women	84	81	71	73	68	72	72	73	72	76	76	80	78
Under age 60	95	94	83	84	77	84	79	83	86	90	86	91	92
Aged 60 and over	73	66	55	58	51	65	60	63	58	68	52	71	60
Income under \$30,000	78	75	69	66	54	69	66	64	64	76	67	72	72
Income \$30,000 and over	99	94	81	89	79	86	78	86	90	90	85	95	92

**Personal financial situation expected one year from now**

FLORIDA	106	103	102	108	101	99	98	97	95	98	99	99	102
Men	108	105	106	108	103	103	103	101	97	104	103	106	105
Women	104	101	98	108	99	96	93	93	94	93	96	93	101
Under age 60	115	111	110	116	108	103	107	105	102	105	107	106	108
Aged 60 and over	83	81	80	81	81	82	79	76	76	84	80	81	82
Income under \$30,000	107	100	98	105	98	94	91	91	94	101	92	88	92
Income \$30,000 and over	109	108	106	114	104	104	105	104	98	100	103	107	109

**Expected national economic conditions over the next year**

FLORIDA	84	76	76	84	68	81	75	67	59	62	81	85	87
Men	90	85	88	87	75	83	83	79	66	78	90	90	96
Women	78	69	66	81	62	79	66	58	53	49	75	81	80
Under age 60	83	77	75	85	68	80	74	70	57	58	81	82	85
Aged 60 and over	87	75	82	82	71	84	78	60	66	74	82	95	95
Income under \$30,000	91	72	73	73	69	69	75	60	56	49	79	72	81
Income \$30,000 and over	83	80	79	92	70	83	76	70	63	68	81	88	92

**Expected national economic conditions over the next 5 years**

FLORIDA	85	82	84	80	75	85	77	73	74	73	86	88	84
Men	98	94	102	90	82	93	91	83	88	90	97	95	95
Women	74	72	69	70	68	79	63	66	62	59	78	83	75
Under age 60	85	83	83	79	73	82	79	74	73	71	85	83	82
Aged 60 and over	88	78	87	83	81	99	76	72	79	79	88	105	92
Income under \$30,000	81	78	75	61	68	69	66	69	62	65	77	74	72
Income \$30,000 and over	86	86	92	87	81	92	83	74	80	76	91	93	91

**Is this a good time to buy major household items?**

FLORIDA	108	101	101	99	98	105	103	100	92	90	97	100	105
Men	110	109	103	103	104	110	105	112	103	104	108	100	110
Women	107	95	100	95	92	101	102	92	82	78	88	99	102
Under age 60	108	100	103	96	98	104	101	97	87	88	95	100	103
Aged 60 and over	110	103	98	109	96	107	110	111	107	93	102	99	117
Income under \$30,000	109	91	94	87	95	96	98	89	89	85	83	98	102
Income \$30,000 and over	112	108	105	104	99	110	102	109	95	95	104	100	110

\*Revised. †Preliminary.

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

Sample Size	484	Race		Gender	
		% Non-white	24	% Male	44
Average age	46	% White	76	% Female	56
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	19	% Yes	16	% North	22
% \$20,000 to \$29,999	14	% No	84	% Central	11
% \$30,000 to \$49,999	25			% Southeast	27
% over \$50,000	42			% Southwest	30