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Consumer Sentiment

Consumer sentiment among Floridians rose less than a point in August to 91.2. Of the five components that make up the index two rise and three declined. Perceptions of personal finances now compared to a year ago fell 2.5 points to 83.4 while expectations of personal finances a year from now declined by half a point to 101.3. Expectations of U.S. economic conditions over the next year rose nearly five points to 88.8 while expectations of U.S. economic conditions over the next five years rose six points to 88.9. Perceptions as to whether it is a good time to buy big ticket consumer items fell more than 4 points to 93.4.

“On balance the preliminary index for August is relatively upbeat, but this does not show the full effect of the decline in the stock market,” said Chris McCarty the Survey Director. “Prior to the crash that began about a week ago Floridians were particularly optimistic about the future direction of the U.S. economy. There were exceptional gains among households with an annual income over \$50,000 for both the short and long term outlook of the U.S. economy. Much of that optimism was likely erased this week when the panic in the Chinese stock market spilled over into U.S. equities. Even as the market recovers, losses of this magnitude will raise questions among consumers, many who are invested in stocks through retirement accounts.”

Up until a week ago economic indicators for Florida were relatively positive. The unemployment rate for July was 5.4 percent, down .2 percent from June. Job gains were led by trade, transportation and utilities, a category that includes retail trade, and leisure and hospitality. The labor force declined by 53,000 which contributed to lower unemployment and the labor force participation rate continued to fall and is now at 58.5, the lowest since June 1983. While the median price of a single family home fell \$3,600 to \$199,900, the volume of sales remains strong. Consumer prices rose by only .1 percent, and gas prices in particular have remained low declining by more than 15 cents since last month. The stock market had been stable for most of the month, but is now down more than 10 percent, a decline most economists would consider a correction.

“Normally the Federal Reserve would not factor the stock market in their decisions to raise interest rates,” said McCarty. “They were prepared to raise rates in September, but given the mixed economic signals and the global nature of this decline they will likely wait until December. Given the central role China plays as an exporter of goods and the potential for a future consumer of U.S. products the effects of the problems in the Chinese economy are likely not over yet.”

FLORIDA ECONOMIC AND CONSUMER SURVEY†
August 28, 2015
Bureau of Economic and Business Research
University of Florida

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Consumer Sentiment Index													
FLORIDA	82.4	82.8	84.3	85.9	87.6	93.1	93.7	97.3	94.7	87.9	89.8	90.5	91.2
Men	84.7	84.5	86.2	88.3	89.5	99.8	97.1	100.1	97.6	89.7	93.4	92.4	96.2
Women	80.0	81.1	82.4	83.3	85.7	86.9	90.5	94.7	92.1	86.2	86.4	88.7	86.4
Under age 60	85.6	88.6	88.8	89.5	91.6	96.2	97.8	101.9	100.1	92.0	94.4	93.8	93.9
Aged 60 and over	79.6	78.1	81.7	82.5	86.0	86.1	82.6	85.5	83.6	76.2	79.5	78.7	83.9
Income under \$50,000	70.9	68.7	82.0	75.2	79.3	88.5	89.5	91.4	90.6	83.3	87.0	84.4	85.7
Income \$50,000 and over	85.0	88.2	86.6	91.6	92.2	101.8	102.8	105.1	101.3	95.4	96.3	96.9	99.2
Personal financial situation now compared to a year ago													
FLORIDA	73.6	75.2	72.6	75.8	73.3	77.5	84.9	88.1	85.3	84.2	79.3	85.9	83.4
Men	80.7	78.6	74.4	80.2	76.6	86.8	90.3	92.3	89.4	88.3	85.2	87.8	90.5
Women	66.3	71.7	70.9	71.0	69.9	68.9	79.8	84.2	81.5	80.5	73.7	84.1	76.7
Under age 60	81.9	84.0	81.2	81.3	79.2	84.2	90.9	93.4	93.7	89.7	83.5	93.4	88.2
Aged 60 and over	66.9	68.6	67.2	71.5	70.5	64.1	68.8	75.3	65.5	69.1	69.5	59.0	69.7
Income under \$50,000	53.7	53.4	71.0	51.8	60.8	68.8	74.6	80.8	76.7	71.6	73.2	71.2	72.1
Income \$50,000 and over	77.5	83.2	73.7	86.5	78.3	89.3	100.9	99.3	100.2	99.8	91.0	100.8	97.4
Personal financial situation expected one year from now													
FLORIDA	84.6	83.4	83.3	81.9	85.7	102.0	101.2	104.7	103.2	94.3	102.9	101.8	101.3
Men	88.6	82.8	87.1	82.2	89.4	105.0	104.2	104.9	105.9	97.0	101.1	102.4	102.2
Women	80.6	83.9	79.7	81.6	81.8	99.2	98.5	104.5	100.7	91.8	104.7	101.2	100.6
Under age 60	100.3	100.0	96.3	91.1	100.4	110.7	107.5	112.6	114.0	102.1	111.0	106.5	107.3
Aged 60 and over	71.6	72.2	75.8	74.7	76.2	82.0	84.2	83.3	78.2	73.3	84.4	84.7	81.6
Income under \$50,000	77.3	80.5	83.1	75.6	77.2	101.0	101.0	101.5	106.2	92.9	106.1	99.7	103.0
Income \$50,000 and over	87.1	86.3	85.7	86.0	92.3	105.6	110.2	109.7	103.3	98.3	101.5	103.4	102.9
Expected national economic conditions over the next year													
FLORIDA	79.8	79.0	82.5	85.8	87.0	95.7	93.4	95.4	93.2	85.6	85.0	83.9	88.8
Men	79.7	80.7	84.0	86.2	88.9	100.5	97.9	97.9	94.2	87.7	90.6	85.4	95.9
Women	79.8	77.3	81.0	85.4	84.9	91.1	89.2	93.1	92.2	83.5	79.7	82.5	82.1
Under age 60	79.9	82.5	86.0	89.1	89.2	97.5	96.7	98.7	97.6	90.6	91.2	85.7	92.0
Aged 60 and over	79.5	75.7	80.7	81.7	86.7	89.2	85.5	86.2	83.9	71.2	71.9	77.5	83.2
Income under \$50,000	68.1	62.5	76.9	82.4	82.1	92.1	90.8	90.4	88.1	84.4	82.6	78.8	82.0
Income \$50,000 and over	84.1	83.5	85.5	88.9	89.8	104.3	98.7	101.5	98.6	89.5	90.9	88.7	97.6
Expected national economic conditions over the next 5 years													
FLORIDA	79.5	80.9	85.6	85.1	87.3	91.9	90.2	92.4	90.0	81.3	84.5	83.2	88.9
Men	79.2	83.4	86.6	87.6	86.7	102.9	90.6	97.7	94.0	81.7	87.0	84.3	98.0
Women	79.8	78.5	84.6	82.5	87.9	81.7	89.8	87.4	86.3	80.8	82.0	82.2	80.3
Under age 60	76.7	82.7	86.4	85.8	85.0	90.7	93.8	96.0	92.6	84.8	89.0	84.8	89.0
Aged 60 and over	81.6	79.1	85.0	82.8	89.3	93.0	80.0	82.7	87.0	70.0	75.1	79.5	90.4
Income under \$50,000	72.0	68.4	93.4	78.8	86.8	88.7	88.8	85.7	88.2	80.8	81.9	80.1	82.7
Income \$50,000 and over	81.6	85.1	85.0	89.6	88.8	99.6	93.0	101.3	92.6	84.0	92.7	85.5	100.2
Is this a good time to buy major household items?													
FLORIDA	94.4	95.5	97.4	100.9	104.9	98.6	98.7	106.0	101.9	94.3	97.5	97.6	93.4
Men	95.3	97.0	98.8	105.4	105.8	104.0	102.6	108.0	104.4	94.0	103.2	102.1	94.7
Women	93.4	93.9	96.0	96.0	104.0	93.5	95.0	104.2	99.6	94.5	92.0	93.4	92.3
Under age 60	89.3	94.0	94.1	100.2	103.9	98.0	100.2	108.9	102.5	92.9	97.3	98.5	92.9
Aged 60 and over	98.6	95.2	99.7	101.8	107.3	102.2	94.7	100.1	103.2	97.3	96.6	93.1	94.4
Income under \$50,000	83.1	78.7	85.6	87.4	89.5	91.9	92.3	98.5	93.9	87.0	91.0	92.2	88.5
Income \$50,000 and over	94.7	102.8	103.2	106.7	111.7	110.3	111.3	113.6	112.0	105.5	105.4	105.8	98.1
*Revised. †Preliminary.	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	451	Race		Gender	
		% Non-white	28	% Male	55
Average age	47	% White	72	% Female	45
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	18	% Yes	23	% North	22
% \$20,000 to \$29,999	12	% No	77	% Central	17
% \$30,000 to \$49,999	24			% Southeast	29
% over \$50,000	46			% Southwest	32

Data Collection Dates: August 1 to 24, 2015