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### *Consumer Sentiment*

Consumer confidence among Floridians held steady in February at 78, unchanged from the previous month. While the overall index did not change, there were differences among the five components that make up the index. Two of the components decreased, two increased and one stayed the same. Perceptions of personal finances now compared to a year ago fell five points to 61, while expectations of personal finances a year from now also fell five points to 75. Expectations of U.S. economic conditions over the next year rose one point to 77 while expectations of U.S. economic conditions over the next five years remained unchanged at 81. Perceptions of whether now is a good time to buy big-ticker items rose eight points to 94, the highest that component has been since April, 2007 just before the Great Recession began.

“We expected little change to the index in February given the agreement in Congress that averted another shutdown and debate over the debt ceiling,” said Chris McCarty. “Over the next year the index will be most affected by economic factors, such as the Federal Reserve tapering its purchase of Treasuries and mortgage-back securities, and the effects of a cooling housing market. We did not expect such a steep decline in perceptions of personal finances both now and in the future. That decline was particularly sharp among seniors, although both young and old respondents were pessimistic about their future finances. It’s not clear this month where this growing pessimism is coming from unless consumers are anticipating a rise in the cost of borrowing and lower home values. Currently borrowing costs are still quite low and home values have been holding steady.”

As of this release the Florida unemployment data for January have not been released. December’s reading was 6.2 percent, down .2 percent from the previous month. Unemployment for the U.S. was 6.6 percent, a drop of .1 percent from December. While the unemployment rate was little changed the number of jobs created was lower than expectations, perhaps leading to pessimism about job availability in the coming months. The median housing price for an existing single family home fell more than \$10,000 in January to \$162,500. Some Floridians may have thought the housing gains of the past year would continue until they reached the peak price from 2006. At the time those prices were not supported by economic fundamentals and given the pull back by the Fed and other government agencies gains in housing prices this year are likely to be much less than last year. Inflation is still in check and is not expected to be a problem for some time. Gas prices have been steady and low throughout the month. The stock market fell sharply in January by more than seven percent, but has made up much of that loss in February. Some Floridians with investments in the stock market, particularly through retirement accounts, may have been reacting to the lower values at the beginning of the month.

“We expect consumer confidence to remain near the current level for the next month or so as the economic picture remains somewhat predictable,” said McCarty. “There will be no budget debates and the Fed will continue to

pull back on its purchases of treasuries and securities. It will not likely raise the federal funds rate until next year. As the year progresses the media attention to the mid-term elections and in Florida the governor's race will likely have a greater effect on consumers' views than national news, assuming there are no surprises."

**FLORIDA ECONOMIC AND CONSUMER SURVEY†**  
**February 25, 2014**  
**Bureau of Economic and Business Research**  
**University of Florida**

	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
<b>Consumer Sentiment Index</b>													
FLORIDA	73	76	79	81	81	77	77	78	70	77	77	78	78
Men	71	78	78	82	85	79	77	82	69	82	79	80	81
Women	76	75	80	79	79	74	77	74	71	72	74	75	75
Under age 60	77	77	86	85	90	80	82	82	78	79	86	79	81
Aged 60 and over	71	75	74	78	74	75	73	74	63	77	71	77	76
Income under \$30,000	72	67	62	73	74	69	70	69	62	65	71	75	64
Income \$30,000 and over	75	81	84	88	86	82	81	82	73	83	79	81	85
<b>Personal financial situation now compared to a year ago</b>													
FLORIDA	64	65	71	67	69	63	63	65	61	69	69	66	61
Men	63	72	70	72	76	67	67	71	63	80	75	71	68
Women	64	58	71	62	63	60	58	61	59	58	63	62	54
Under age 60	69	64	78	73	82	72	68	75	68	69	80	67	68
Aged 60 and over	60	65	63	63	58	57	57	59	54	68	61	65	57
Income under \$30,000	55	51	47	56	54	50	52	49	43	45	50	56	42
Income \$30,000 and over	65	71	77	75	77	69	66	73	70	79	75	70	71
<b>Personal financial situation expected one year from now</b>													
FLORIDA	74	72	79	82	82	75	81	80	74	74	78	80	75
Men	70	74	77	82	82	77	80	81	71	77	79	83	79
Women	80	71	82	82	82	72	83	79	76	70	77	76	72
Under age 60	91	82	95	94	101	85	94	96	93	82	96	96	90
Aged 60 and over	66	64	66	72	66	68	69	66	58	68	67	71	66
Income under \$30,000	76	66	64	71	82	68	76	71	66	65	77	77	71
Income \$30,000 and over	74	78	84	90	86	79	86	86	77	78	81	84	82
<b>Expected national economic conditions over the next year</b>													
FLORIDA	72	77	79	81	82	79	76	76	66	76	73	76	77
Men	67	75	77	79	82	78	70	79	62	77	76	73	80
Women	77	79	82	83	82	79	82	74	69	75	70	78	74
Under age 60	69	76	86	84	88	79	83	76	73	76	77	75	80
Aged 60 and over	74	76	75	80	79	79	71	76	60	77	69	77	76
Income under \$30,000	74	67	62	75	78	76	73	76	64	66	72	77	59
Income \$30,000 and over	74	80	84	88	85	83	78	77	66	81	73	78	86
<b>Expected national economic conditions over the next 5 years</b>													
FLORIDA	69	76	77	82	82	75	78	75	71	76	74	81	81
Men	66	75	78	82	83	77	77	80	69	74	76	80	84
Women	72	78	76	82	81	73	79	71	73	78	71	82	78
Under age 60	72	75	82	82	89	77	81	81	77	74	75	80	78
Aged 60 and over	68	78	73	83	77	75	76	71	67	78	72	82	84
Income under \$30,000	72	74	65	83	69	77	73	75	70	73	67	86	63
Income \$30,000 and over	71	78	81	86	86	80	81	77	70	78	75	82	90
<b>Is this a good time to buy major household items?</b>													
FLORIDA	88	90	90	91	92	92	87	91	78	92	91	86	94
Men	90	93	89	94	100	96	91	100	81	105	90	93	94
Women	85	87	91	88	85	88	83	83	75	80	91	80	94
Under age 60	87	87	87	90	92	87	82	82	79	93	101	78	90
Aged 60 and over	89	92	93	93	92	96	92	99	77	93	83	91	96
Income under \$30,000	82	76	72	81	88	76	76	73	67	78	86	80	87
Income \$30,000 and over	92	96	94	100	95	100	91	96	83	100	93	92	97

\*Revised. †Preliminary.

**Feb-13 Mar-13 Apr-13 May-13 Jun-13 Jul-13 Aug-13 Sep-13 Oct-13 Nov-13 Dec-13 Jan-14 Feb-14**

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**CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH**

<b>Sample Size</b>	399	<b>Race</b>		<b>Gender</b>	
		% Non-white	14	% Male	51
<b>Average age</b>	62	% White	86	% Female	49
<b>Income Characteristics</b>		<b>Hispanic Origin</b>		<b>Region</b>	
% less than \$20,000	16	% Yes	7	% North	25
% \$20,000 to \$29,999	12	% No	93	% Central	19
% \$30,000 to \$49,999	25			% Southeast	19
% over \$50,000	47			% Southwest	37