

UF survey: Florida consumer confidence jumps in December

December 28 2011, by John Dunn

(PhysOrg.com) -- Consumer confidence among Floridians rose three points to 69 in December, reflecting a cautious optimism in the economy, according to a recent University of Florida survey. Though the latest figure is only one point below the level set in December 2010, it also marks the highest rank in the past nine months.

The index used by UF researchers in the [survey](#) is benchmarked to 1966, which means a value of 100 represents the same level of confidence for that year. The lowest index possible is a 2; the highest is 150.

Consumer confidence in December shot up in four of the five indexes used by survey takers, and declined in only one. The index that reveals whether [Floridians](#) think their [personal finances](#) have improved from a year ago rose one point to 53. Another showed their overall expectations in the soundness of the U.S. economy jumped six points to 59.

Confidence in the economy's performance over the next five years also rose — this time three points to 71. Finally, the overall perception of survey takers that the present is a good time to buy “big ticket” items, such as washing machines and laptops — went up sharply by seven points to 85.

The only index to show dropping confidence was an expectation of a drop in personal finances a year from now, declining two points to 78.

Taken as a whole, the UF survey reflects a changing mood that matches growing confidence across the nation, said Chris McCarty, director of

UF's Survey Research Center in the Bureau of Economic and Business Research. In addition, he added, there are factors in the Florida [economy](#) that were interpreted as positive by both younger and older respondents. Men were more positive than women by a margin of 71 points to 67.

“Floridians are most likely optimistic about continued improvement in the employment situation,” McCarty said. The decline in unemployment in November was .4 percent to 10 percent. The drop marked the first time in many months that economic sectors other than tourism led the way in employment increases. McCarty noted that employers in trade, transportation and utilities employed 34,800 more workers from October to November. However, he cautioned that many of these new jobs were in retail trade and may only reflect holiday seasonal hiring, which could disappear in early 2012.

McCarty also cited several other reasons for the change in mood. Retailers are offering big seasonal discounts to shoppers and mortgage interest rates are low. Housing prices may have “bottomed out” for a while, he said, hovering about around \$130,100 for a single-family home. Gas prices are down, too. A gallon cost about 15 cents less than it did in November, though prices are expected to rise in 2012.

Stock prices were unsteady but did not sink in the wake of bad economic news coming from Europe, as some economists expected. Media reports about the U.S. Congress' wrangling over debt and spending issues also didn't sour [consumer confidence](#). “Contrary to our prediction, the impasse of the Super Commission regarding deficit reductions came and went with very little concern from consumers,” McCarty said.

Overall, the mood for December is modestly upbeat. But McCarty cautioned that Floridians may find it hard to remain optimistic in the coming year, if Congress carries through with \$1.2 trillion in mandatory spending cuts required by the debt ceiling deal in 2011.

The UF survey was conducted between Dec. 11 and Dec. 22, and reflects the responses of 411 individuals statewide.

Provided by University of Florida

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