Consumer confidence rebounds in Florida in July

July 31, 2012

By Donna Gehrke-White, Sun Sentinel

Floridians defied some glum spirits elsewhere in the nation with their consumer confidence rebounding in July after plummeting a month earlier, according to a monthly University of Florida survey.

Consumer confidence among Floridians increased in July by three points from the revised June figure to 76. That was nine points higher than this time last year, according to the poll.

"In July, consumers [in Florida] are feeling much better about their personal finances compared to June and their circumstances since the recession ended 2½ years ago," said Chris McCarty, director of UF’s Survey Research Center in the Bureau of Economic and Business Research.

Among the five components used to measure confidence, three jumped, including Floridians’ perceptions that they are better off financially today than a year ago. That moved up five points to 66 -- a good sign that Florida's economy continues to rebound.

"That's the highest since the end of the Great Recession in December 2009," McCarty said.

The upbeat UF survey contrasts with mixed reports about the U.S. consumer. Last week, the Thomson Reuters-University of Michigan sentiment report showed that U.S. consumers were feeling more gloomy in July. But Tuesday's index of consumer confidence from the Conference Board, a private research group, reported that spirits were up in the United States after four months of declines.

In Florida, consumers are more optimistic because the state continues to get more jobs and the unemployment rate has fallen 25 percent from its height of 11.4 percent in early 2010 to the current 8.6 percent, said Jorge Salazar-Carrillo, an economics professor who directs the Center of Economic Research at Florida International University.

"That's a great improvement," Salazar-Carrillo said.

The rebounding job market "puts money in the pockets so people feel better," added William B. Stronge, an economist who is a professor emeritus at Florida Atlantic University.

He noted that UF's Consumer Confidence Index is back to nearly the highs of earlier this year.

"I think the consumer is ready to get back into the economy," he added.

In fact, the Sunshine State's economy is improving more than other parts of the country, FIU professor Salazar-Carrillo said. Florida's housing market, for example, is faring better, Salazar-Carrillo said. "We're getting our economy in shape in Florida," he said.
Floridians told UF pollsters this month that their own personal finances are better with them predicting their situation will continue to improve by this time next year. That jumped six points in the survey to 82. Perceptions that now is a good time to buy big-ticket items rose even more - seven points to 84, according to the survey.

Still, Floridians were like many other Americans in that "they are gloomy about the U.S. economy over the next several years," McCarty said.

The surveyed Floridians reported that their confidence in the U.S. economy during the coming year dropped a point to 72 with their assessment about the country's economic performance in the next five years falling even further -- three points to 77.

Overall, though, Floridians across all age groups are moderately upbeat, according to the survey.

"Some of this can be attributed to a more positive housing picture in some areas of the state where prices are actually rising rather than falling," McCarty said.

Also gas prices, though increasing, were still lower than the first of the year and the stock market is up. Both buoyed Floridians' confidence, McCarty added.

The UF survey was taken July 12-26 -- before a federal agency reported that the country's economic growth had slowed from April to June to a 1.5 percent increase.

The index is bench marked to 1966, so a value of 100 represents the same level of confidence for that year. The lowest index possible is a 2; the highest is 150.