

# Measuring Consumer Confidence in Florida

Christopher McCarty  
ufchris@ufl.edu

Bureau of Economic and Business Research

University of Florida Survey Research Center

# UFSRC

- One of four programs at the Bureau of Economic and Business Research (BEBR)
- Established in 1983
- 75-station CATI lab
- Between 100-250 interviewers
- Conducts Monthly survey of Floridians

# What is Consumer Confidence?

- Survey-based measure
- **Consumer Sentiment** from the University of Michigan
  - 500 completed RDD telephone interviews
  - Preliminary release second Friday, final release last Friday
- **Consumer Confidence** from the Conference Board
  - Approximately 3,500 completed mail out surveys
  - Release last Tuesday

# Advantages of Consumer Sentiment Over Other Indicators

- Captures aspects of consumer attitudes that other indicators do not
  - Strength – Some events affect responses and consumer spending
  - Weakness – Some events just affect responses
- Fast turn around
- Relatively inexpensive

# Comparison of Indexes

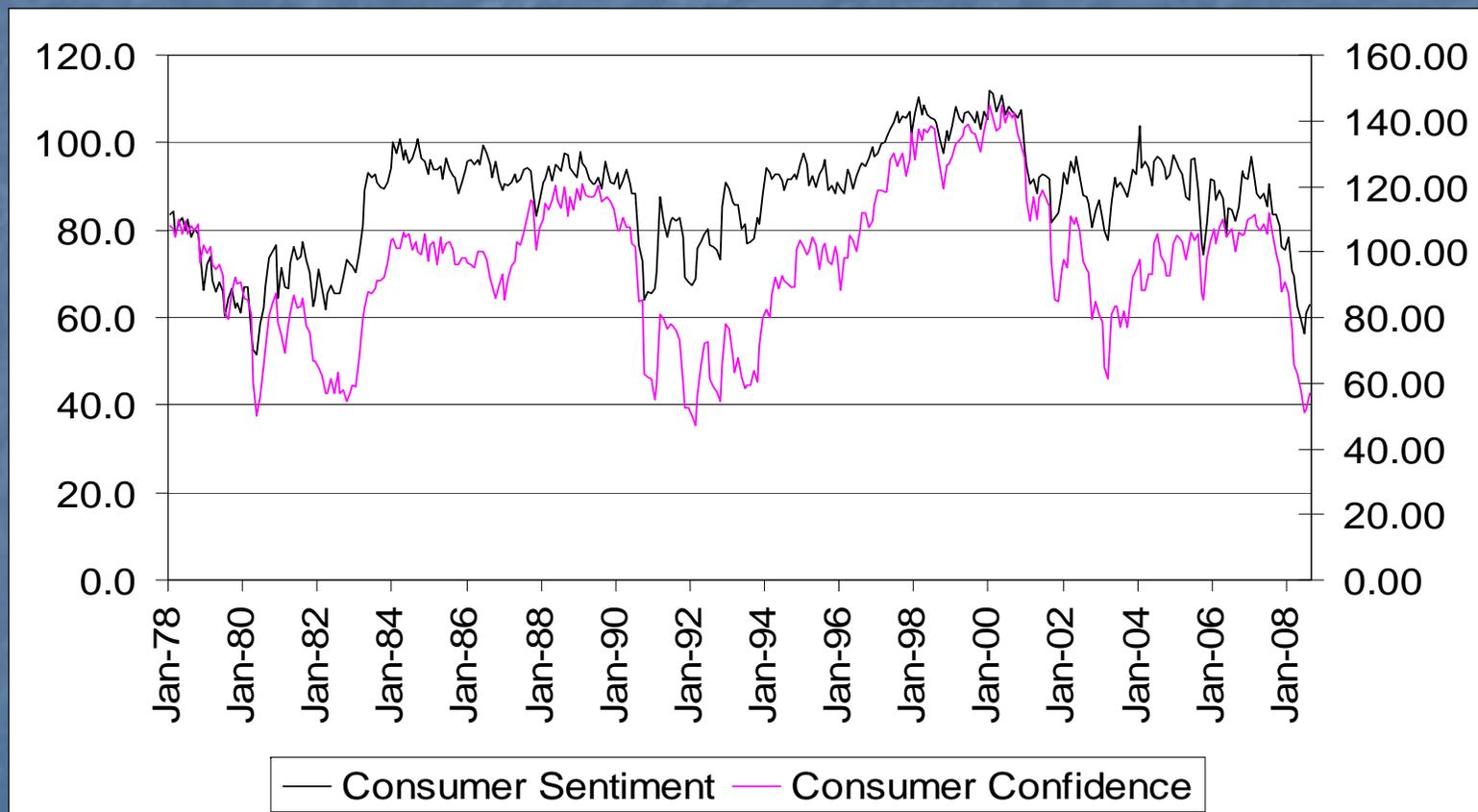
University of Michigan Index of Consumer Sentiment	Conference Board Consumer Confidence Index
<b>Current Conditions</b>	
Overall Buying Conditions	Business Conditions in Area
Current Personal Financial Condition	Current Job Availability in Area
<b>Future Expectations</b>	
Business Conditions Over Next 12 Months	Business Conditions in 6 Months
Business Conditions Over Next 5 Years	Job Availability in Area in 6 Months
Personal Financial Condition in 12 Months	Total Family Income in 6 Months

# Consumer Sentiment Index Calculation

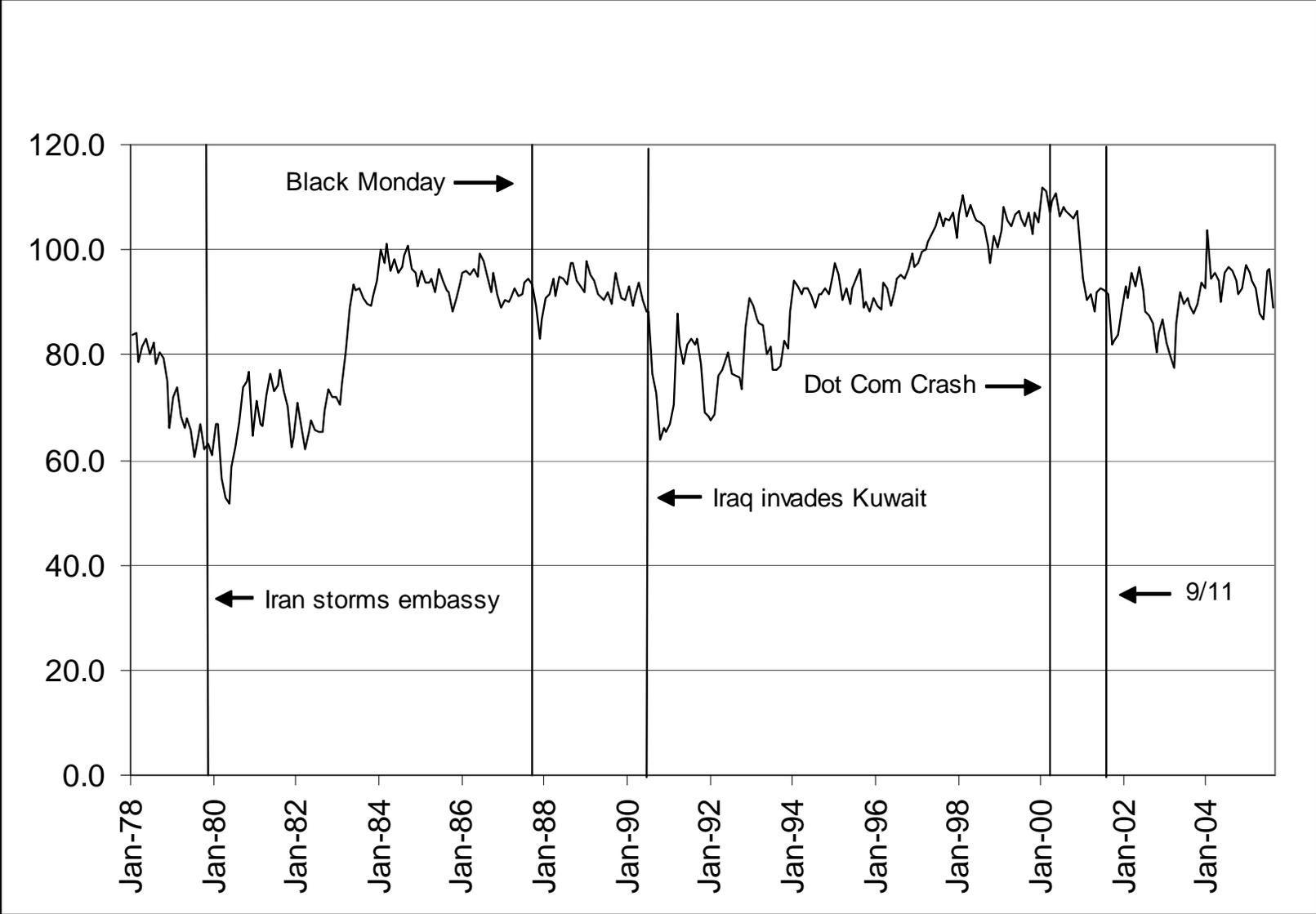
$$ICS = \frac{X_1 + X_2 + X_3 + X_4 + X_5}{6.7558} + 2.0$$

- Benchmarked to 1966
- Index range from 2 to 150

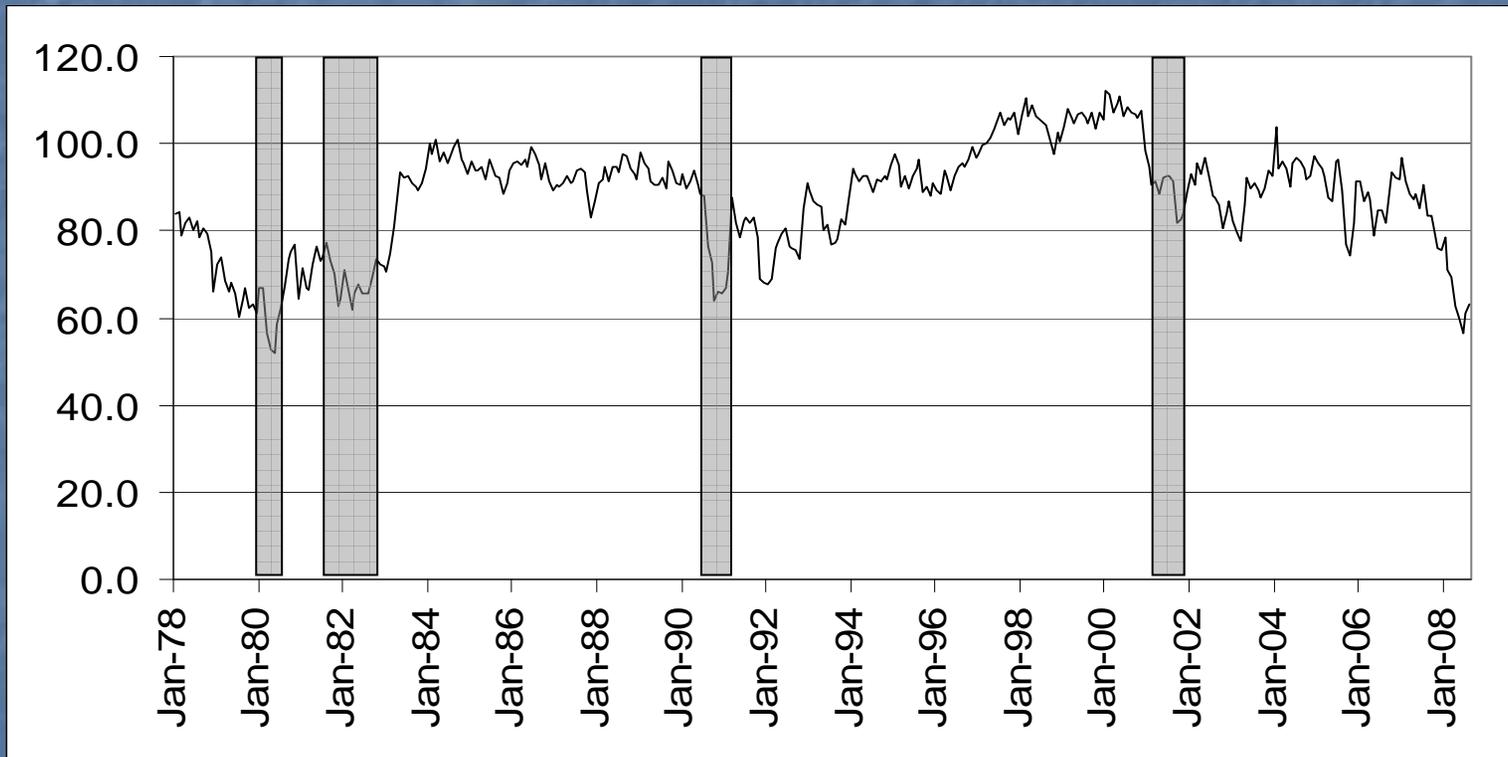
# Comparison of U.S. Consumer Sentiment and Consumer Confidence



# Consumer Sentiment and Major Events



# Consumer Sentiment and Recessions



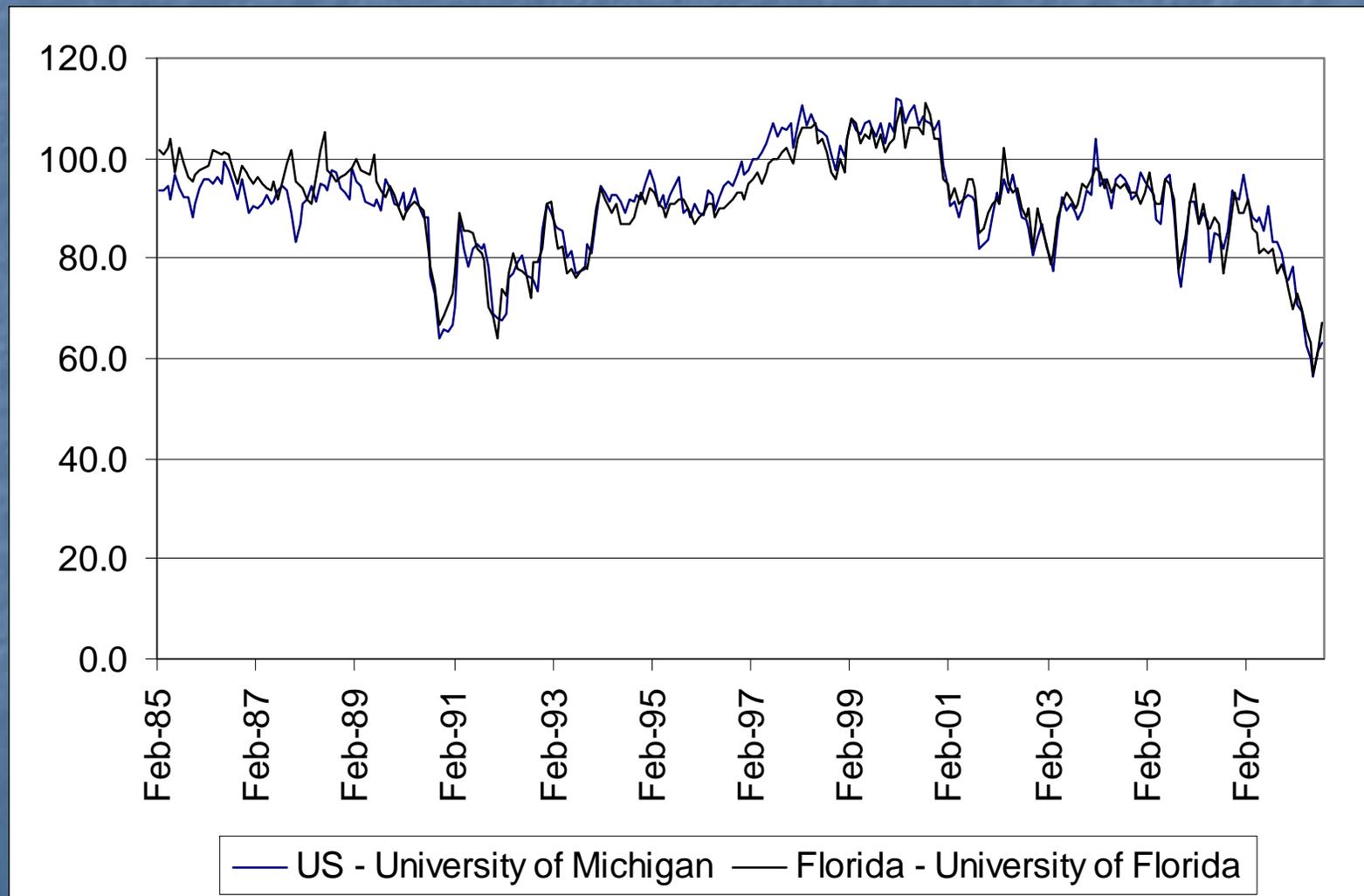
# Consumer Confidence in Florida

- Based on Consumer Sentiment Questions
- Series begins in 1985
- 500 Florida households a month
- Released last Tuesday of each month to match Conference Board

# What is on the survey?

- Consumer sentiment
- Movement to Florida and reasons for moving
- Type of housing and number of residents
- Rotating questions – opinions on amendments, elections, hurricane damages
- Demographic questions such as age, education, income and employment

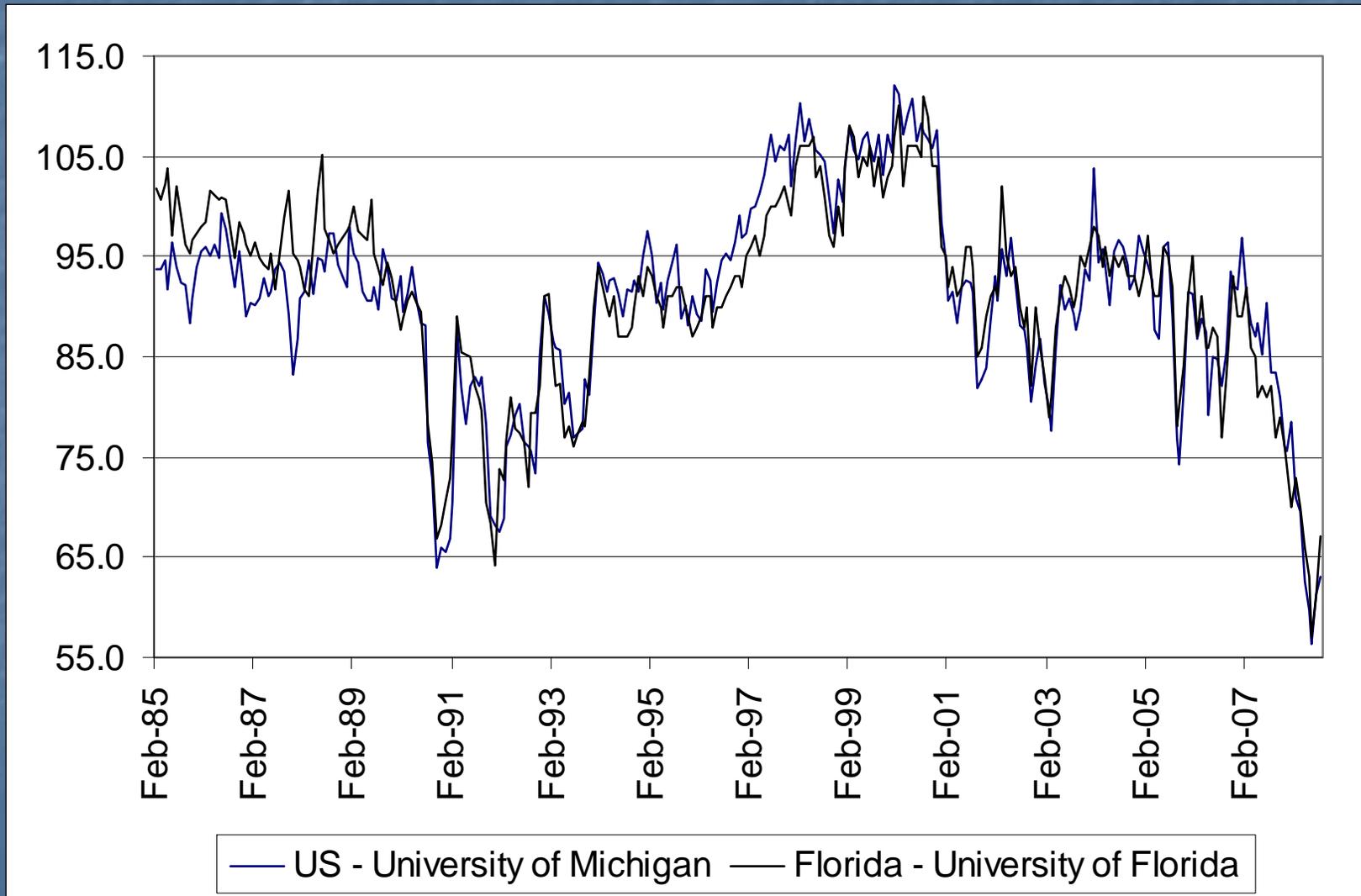
# Comparison of Florida and the U.S.



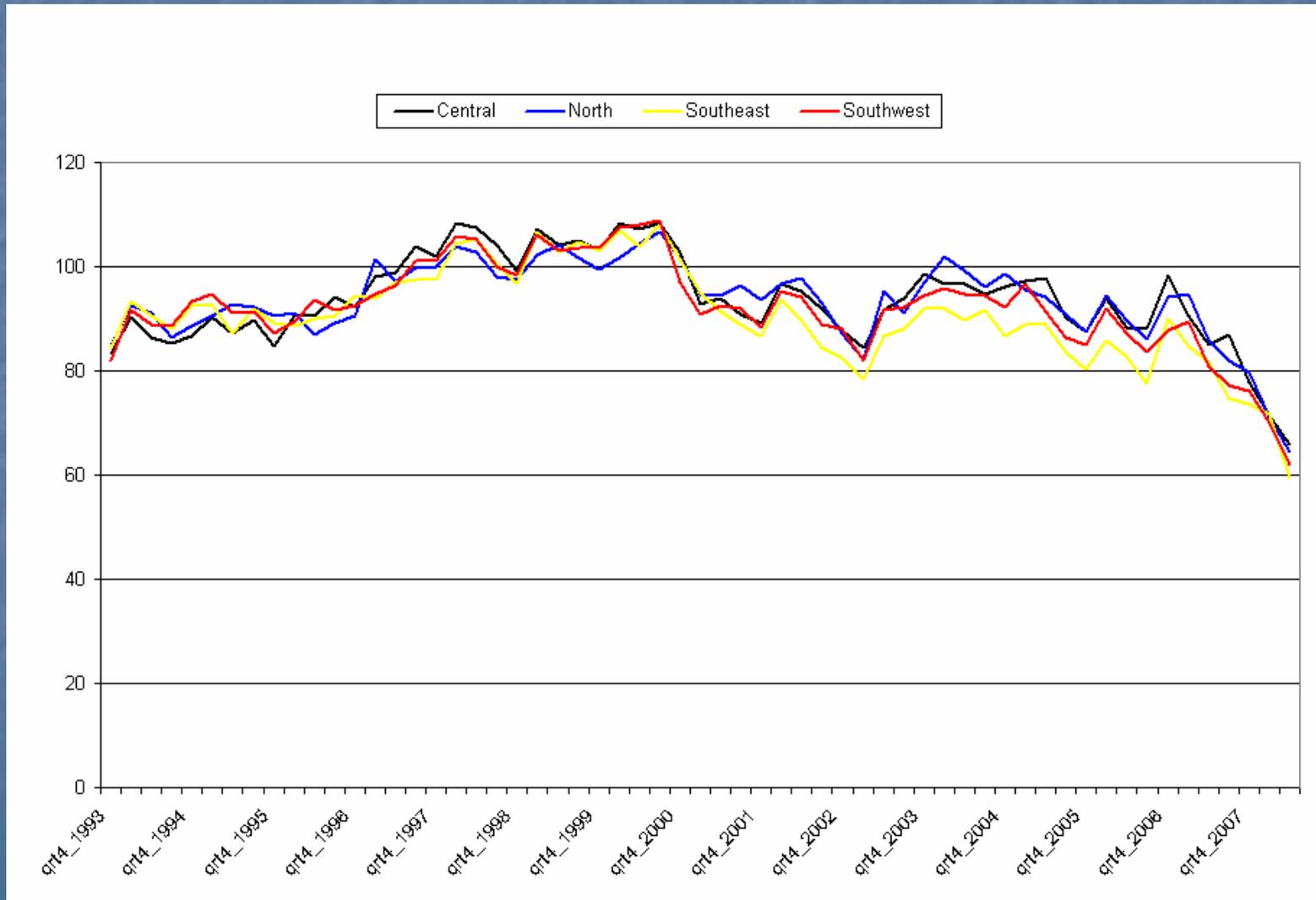
# Why is it so close?

- The correlation is high ( $r=0.924^{***}$ )
- Florida is a large state with nearly 6% of U.S. population
- Consumers may form most of their opinion based on national news rather than regional news

# A closer look



# Consumer confidence by Region



# Consumer confidence by MSA

MSA	2000	2001	2002	2003	2004	2005	2006	2007	2000-2007
Ft. Myers	109	98	95	88	99	96	89	82	94
Daytona Beach	105	92	90	93	88	89	86	81	91
Ft. Lauderdale	105	88	87	85	88	84	84	79	88
Ft. Walton	108	95	93	94	105	95	90	93	97
Gainesville	105	91	93	88	97	93	91	87	93
Jacksonville	108	100	98	96	105	95	94	89	98
Lakeland	100	89	92	85	93	91	92	82	90
Miami-Dade	104	92	87	88	93	87	85	79	90
Naples	106	104	103	97	104	99	98	88	100
Ocala	92	93	84	83	94	84	88	78	87
Orlando	107	85	94	91	99	97	96	87	94
Melbourne	107	91	96	98	94	88	89	82	93
Panama City	111	91	101	99	101	94	95	88	98
Pensacola	98	93	96	89	100	91	92	81	92
Ft. Pierce	105	92	96	89	89	83	85	77	89
Punta Gorda	88	86	94	91	93	85	82	71	86
Sarasota	99	80	92	89	90	87	87	78	88
Tallahassee	109	92	88	85	93	89	87	91	92
Tampa	107	90	90	91	95	88	86	81	91
West Palm Beach	107	89	85	83	90	87	82	77	88

# How low can it get?

- The lowest point for Florida was 59 in June 2008
- The lowest for the U.S. was 52 in May 1980