

Starting the New Year Right: Consumer Confidence is Up

Consumer confidence extended its hot streak into the New Year, inching up from last week to come within a point of its record high in 14 years of weekly polls.

Seventy-six percent of Americans now rate the economy positively, one point below its record set last year. Sixty-seven percent say their own finances are in good shape and 54 percent say it's a good time to buy things – each slightly below its all-time peak.

The ABC News/Money magazine Consumer Comfort Index, based on these views, is a point from its best ever last January and March.

Positive ratings:	Today	----- Since 12/85 -----		
		Highest	Lowest	Average
National Economy	76%	77	7	38
Personal Finances	67	70	42	56
Buying Climate	54	56	20	37

Confidence has been extraordinarily high since the beginning of 1998, boosted by rising incomes, low inflation and interest rates and the strong job market. This poll was completed Sunday, before the stock market's gyrations of the last few days, but moves in the market rarely influence consumer confidence.

INDEX –The ABC/Money Consumer Comfort Index stands at +31 on its scale of +100 to –100. It averaged a then-record +24 in 1998 and a new record of +28 in 1999. The overall average of the index since its inception in late 1985 is just –12.

	ABC/Money Index	
Today	+31	
Last week	+29	
Record high	+32	(1/17, 3/7, 3/14)
1999 average	+28	Best full year
1992 average	-44	Worst full year
Feb. 9, 1992	-50	Record low
Average since 12/85	-12	

Call the ABC News Polling Unit, ext. 2621, for a chart tracking the ABC/Money index over time.

GROUPS – As usual, confidence is higher among better-off Americans: The index is +60 in higher-income households compared to -25 in the lowest; +45 among college graduates but -10 among high-school dropouts; +38 among whites but -10 among blacks; and +43 among men compared to +21 among women.

Here's a closer look at the three components of the index:

NATIONAL ECONOMY- The poll asks: Would you describe the state of the nation's economy these days as excellent, good, not so good or poor? Seventy-six percent say excellent or good, up two points from last week. The record, 77 percent, was set Jan. 10 and tied in March, April and July. The worst rating was seven percent in late 1991 and early 1992.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	76%	17	59	24	19	5
Avg. since 12/85	38	3	35	62	41	21

PERSONAL FINANCES - The poll asks: Would you describe the state of your own personal finances these days as excellent, good, not so good or poor? Sixty-seven percent say excellent or good, up one point from last week. The record, 70 percent, was set Aug. 30, 1998, and tied this January, June and September. The worst was 42 percent March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	67%	7	60	33	25	8
Avg. since 12/85	56	4	52	44	31	13

BUYING CLIMATE - The poll asks: Considering the cost of things today and your own personal finances, would you say now is an excellent time, a good time, a not so good time or a poor time to buy the things you want and need? Fifty-four percent say excellent or good, up two points from last week. The record, 56 percent, was set on Nov. 29, 1998 and tied Dec. 5, 1999; the worst rating, 20 percent, was set in fall 1990.

	Pos. NET	Excel.	Good	Neg. net	Not good	Poor
This week	54%	5	49	46	32	14
Avg. since 12/85	37	3	35	63	41	22

METHODOLOGY - The ABC News/Money magazine Consumer Comfort Index represents a rolling average based on telephone interviews with about 1,000 adults nationwide each month. This week's results are based on 1,050 interviews in the month ending Jan. 2 and have an error margin of plus or minus three percentage points. Fieldwork by ICR-International Communications Research of Media, Pa.

The ABC/Money index is derived as follows: The negative response to each index question is subtracted from the positive response to that question. The three resulting numbers are then added and divided by three. The index can range from +100 (everyone

positive on all three measures) to -100 (all negative on all three measures). The survey began in December 1985.

Analysis by Daniel Merkle.

ABC News polls can be found at ABCNEWS.com on the Internet, at:
<http://abcnews.go.com/sections/politics/PollVault/PollVault.html>

01/02/00	This Week	Last Week	4 Wks Ago	3 Mo. Ago	1 Yr. Ago	12 Mo High	12 Mo Low	12 Mo Avg
Group								

GENERAL POPULATION:								
Overall Index	31	29	31	23	31	32	22	28
State of Economy	52	50	48	40	52	54	38	47
Personal Finances	34	32	34	30	40	40	28	33
Buying Climate	8	4	12	-2	2	12	-4	4

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	43	41	39	34	35	44	30	36
Women	21	17	22	11	25	31	11	20
Age:								
18 - 34	27	22	19	23	28	35	16	26
35 - 44	35	31	32	19	32	40	13	29
45 - 54	34	36	41	20	41	41	13	28
55 - 64	31	26	36	25	22	47	13	28
65 +	32	29	34	25	28	37	17	27
Income:								
Under \$15K	-25	-28	-29	-26	-15	-11	-42	-24
\$15K To \$24.9K	14	5	2	-7	1	14	-15	0
\$25K To \$39.9K	32	32	29	9	36	38	8	25
\$40K To \$49.9K	44	37	41	46	46	56	27	43
Over \$50K	60	59	66	53	60	67	53	60
Region:								
Northeast	42	39	33	40	28	42	21	31
Midwest	30	25	34	22	35	41	20	31
South	24	20	31	14	26	31	14	24
West	34	37	21	21	33	43	13	27
Race:								
White	38	35	35	27	35	38	26	32
Black	-10	-8	2	-10	5	22	-11	4
Politics:								
Republican	53	55	47	38	38	55	32	41
Democrat	29	25	33	18	28	35	15	26
Independent	24	20	16	16	33	34	13	23
Education:								
< High School	-10	-14	0	-24	4	6	-27	-10
High Sch. Grad.	32	26	20	19	19	32	12	21
College +	45	43	48	40	46	52	38	45
Home:								
Own	38	36	40	28	38	40	26	34
Rent	15	10	4	5	12	26	-3	11
Marital Status:								
Single	30	17	21	20	30	36	8	24
Married	38	36	38	28	37	41	27	34
Sep/Wid/Div	5	10	9	4	7	18	-9	7
Employ. Status:								
Full-Time	39	37	38	30	40	42	30	36
Part-Time	24	19	27	19	30	38	7	23
Not Employed	22	20	18	12	15	26	8	17

END