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ABC NEWS/MONEY CONSUMER INDEX - 1/7/96

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CONSUMER CONFIDENCE
STARTS '96 ON A DOWNER

Consumer confidence is starting 1996 on a downer, below its average for 1995, the latest ABC News/Money magazine poll shows. Not since 1992 has confidence started a year worse than its average for the year before.

The ABC/Money Consumer Comfort Index stands at -17 on its scale of +100 to -100. It averaged -15 last year, not a great year but the best so far of the rocky 1990s. From 1986 to mid-1990, the index averaged a healthier -9.

The index is based on views of the economy, buying climate and personal finances. It dived to -39 with the recession from mid-1990 to 1993. While it's better now, this week's number shows that consumer confidence remains troubled, five and a half years after the 1990-91 recession began.

	ABC/Money Index	
	Start of year	Average of previous year
1996	-17	-15
1995	-13	-19
1994	-26	-37
1993	-33	-44
1992	-44	-37

INDICES - The strongest component of the index is personal finances: Fifty-five percent say theirs are in good shape. But 66 percent think the economy is still in trouble, and 65 percent call this a bad time to buy things.

While not back to pre-1990 levels, these numbers at least are much better than they were from 1990-93. Then negative ratings averaged 85 percent on the economy, 74 percent on the buying climate and 51 percent on finances.

	Today	1990-93	1986-90
Negative on national economy	66	85	59
Negative on buying climate	65	74	61
Positive on personal finances	55	49	57

GROUPS - Confidence lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is -1 among men but -32 among women; +24 in higher-income households but -55 in the lowest; -12 among whites but -56 among blacks; and +4 among people who've attended college but -48 among high school dropouts.

HOME VALUES - In one bit of brighter news, the poll this week finds a hint of further recovery in expected home values. In 1993 a low of 29 percent of homeowners expected their home's value to increase in the year ahead. That climbed to 38 percent last year; now it's 41 percent.

Do you think the value of your home, that is the amount of money you could sell your house for, will increase this year, decrease this year or stay about the same? (Among homeowners)

	Increase	Decrease	Stay same	No opin.
1/7/96	41	8	50	1
2/5/95	38	7	54	1
4/18/93	29	14	54	3
6/28/92	42	14	42	2
12/16/90	37	17	44	3
2/19/89	47	6	44	4
51/88	40	9	49	2

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

NATIONAL ECONOMY- Sixty-six percent rate the economy negatively, unchanged this week. It averaged 65 percent last year, compared to 85 percent from 1990-93 and 59 percent from 1986-1990. The worst, 93 percent, was in late 1991 and early 1992; the best, 50-50, was April 27, 1986. The average for the life of the index is 70 percent negative.

PERSONAL FINANCES - Fifty-five percent rate their finances positively, unchanged this week. It averaged 56 percent last year, compared to 49 percent in the 1990-93 slump and 57 percent before the recession. The worst was 58 percent negative March 14, 1993; the best, 62 percent positive Dec. 20, 1987. The average for the entire index is 54 percent positive.

BUYING CLIMATE - Sixty-five percent call this a bad time to buy things, up a point this week. It averaged 63 percent last year, compared to 74 percent during the 1990-93 slump and 61 percent before the recession. The worst is 80 percent negative Nov. 2 and Oct. 28, 1990; the best, 52 percent positive May 11, 1986. The full average is 66 percent negative.

	National Economy	Personal Finances	Buying Climate
This week	66% neg	55% pos	65% neg
1995 Average	65% neg	56% pos	63% neg
Recession Average (mid-1990 to 1993)	85% neg	51% neg	74% neg
Pre-Recession Avg. (1986 to mid-1990)	59% neg	57% pos	61% neg
Full Average (1986-1995)	70% neg	54% pos	66% neg
Worst	93% neg	58% neg	80% neg
Best	50% pos	62% pos	52% pos

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. Interviewing is done by ICR/AUS Consultants of Media, Pa. This week's results are based on 1,038 interviews in the month ending Jan. 7 and have an error margin of plus or minus 3.5 percentage points. The result on home values is based on interviews done Dec. 27-Jan. 7 and has a five-point error margin.

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.

ABC polls are available in the ABC News area of America Online.

Analysis by Gary Langer. For details contact the ABC News Polling Unit, (212) 456-2621.

01/07/96	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	-17	-17	-17	-13	-15	-9	-20	-15
State of Economy	-32	-32	-34	-26	-26	-26	-38	-30
Personal Finances	10	10	10	12	12	22	4	13
Buying Climate	-30	-28	-28	-26	-30	-20	-32	-27

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	-1	2	-5	2	-3	4	-13	-3
Women	-32	-32	-28	-29	-24	-19	-32	-25
Age:								
18 - 34	-16	-13	-11	-10	-14	-4	-19	-12
35 - 44	-18	-19	-22	-5	-9	4	-26	-14
45 - 54	-30	-23	-18	-17	-13	-3	-30	-16
55 - 64	-8	-10	-7	-14	-16	0	-36	-16
65 +	-18	-20	-28	-28	-19	2	-34	-18
Income:								
Under \$15K	-55	-52	-51	-55	-45	-40	-60	-51
\$15K To \$24.9K	-40	-41	-40	-31	-35	-15	-48	-33
\$25K To \$39.9K	-17	-16	-13	-12	-9	-2	-29	-13
\$40K To \$49.9K	-14	-3	-4	-11	4	11	-14	-1
Over \$50K	24	26	21	32	20	32	12	21
Region:								
Northeast	-22	-18	-25	-26	-23	-13	-32	-22
Midwest	-8	-11	-13	0	-3	11	-21	-5
South	-20	-18	-12	-13	-17	-9	-25	-16
West	-17	-15	-21	-20	-15	0	-27	-15
Race:								
White	-12	-11	-12	-9	-12	-5	-15	-10
Black	-56	-49	-45	-44	-35	-24	-61	-42
Politics:								
Republican	-1	-5	-1	0	-10	6	-10	-2
Democrat	-24	-20	-19	-22	-15	-11	-25	-19
Independent	-20	-18	-24	-17	-14	-11	-25	-18

Education:								
< High School	-48	-36	-41	-47	-34	-30	-53	-43
High Sch. Grad.	-30	-29	-25	-19	-20	-14	-30	-22
College +	4	2	-1	2	-2	7	-4	2
Home:								
Own	-12	-11	-9	-11	-9	-2	-15	-9
Rent	-32	-29	-36	-22	-28	-19	-38	-30
Marital Status:								
Single	-12	-9	-6	-17	-20	3	-24	-11
Married	-14	-12	-13	-7	-6	-4	-16	-10
Sep/Wid/Div	-38	-41	-43	-36	-35	-21	-45	-36
Employ. Status:								
Full-Time	-8	-4	-10	1	-5	3	-13	-5
Part-Time	-10	-19	-21	-21	-9	-4	-34	-20
Not Employed	-33	-30	-26	-31	-29	-18	-35	-26