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ABC NEWS/MONEY CONSUMER INDEX - 1/12/97
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CONFIDENCE TAKES A HIT

Consumer confidence took a shot in the chops this week, slipping to its worst reading in two months - possibly a result of post-holiday sticker shock, the latest ABC News/Money magazine poll has found.

The ABC/Money Consumer Comfort Index lost four points to -7 on its scale of +100 to -100, its lowest since Nov. 17. But confidence is not bad: Last week was its best start of a new year since the poll began in late 1985.

The index is based on views of the economy, personal finances and the buying climate. Ratings of the buying climate, already the weakest part of consumer confidence, led this week's decline. Ratings of personal finances also lost ground, but views of the national economy held steady.

INDEX - The index peaked at -1 on Dec. 1, a level last seen (fleetinglly) in September 1988. It averaged -11 last year, its best since 1989 and near its pre-recession average, -9 from 1986-90. From 1990-95 it averaged -30.

ABC/Money Index	
Today	-7
Last week	-3
1996 average	-11
1990-95	-30
1986-90	-9
Full average	-20

INDICES - Sixty-five percent of Americans call the buying climate "not so good" or "poor," up three points this week and the most since Aug. 25. This component of the index has lagged, presaging the less-than-stunning holiday shopping season. Bills now coming due may have weakened it further.

Fifty-six percent say their own finances are in good shape, down two points this week to its worst since Sept. 22. This remains the one component of the ABC/Money index in which a majority gives a positive response.

In the last measure, 49 percent rate the economy "excellent" or "good," three points from the record, set Dec. 1. Ratings of the economy have powered the recent resurgence of confidence; they're eight points better than their pre-recession average. Views of personal finances are one point worse; ratings of the buying climate, four points worse. All are far above their average from 1990-93, when faith in the economy was at its worst.

Positive ratings for...	Today	1990-93	1986-90
National economy	49	15	41
Buying climate	35	26	39
Personal finances	56	49	57

GROUPS - Confidence lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is +7 among men but -19 among women; -1 among whites but -42 among blacks; +32 in higher-income households but -45 in the lowest; and +12 among people who have attended college but -36 among high school dropouts.

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

NATIONAL ECONOMY- Fifty-one percent rate the economy negatively, unchanged this week. It averaged 61 percent last year, compared to 85 percent from 1990-93 and 59 percent from 1986-90. The best, 52 percent positive, was Dec. 1, 1996. The worst, 93 percent negative, was in late 1991 and early 1992. The average for the life of the index is 69 percent negative.

PERSONAL FINANCES - Fifty-six percent rate their finances positively, down two points this week. It averaged 57 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 full average is 54 percent positive.

BUYING CLIMATE - Sixty-five percent call this a bad time to buy things, up three points 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	51% neg	56% pos	65% neg
1996 Average	61% neg	57% 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)	69% neg	54% pos	66% neg
Worst	93% neg	58% neg	80% neg
Best	52% 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 by ICR-International Communications Research of Media, Pa. This week's results are based on 1,043 interviews in the month ending Jan. 12 and have an error margin of plus or minus 3.5 percentage points.

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 Gary Langer.

For details contact the ABC News Polling Unit, (212) 456-2621. ABC polls are available in the ABC News area of America Online.

01/12/97	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	-7	-3	-2	-5	-21	-1	-21	-10
State of Economy	-2	-2	-4	-14	-38	4	-38	-21
Personal Finances	12	16	20	22	12	22	8	15
Buying Climate	-30	-24	-22	-22	-36	-18	-36	-25

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	7	10	6	0	-9	10	-9	0
Women	-19	-16	-10	-8	-31	-8	-31	-20
Age:								
18 - 34	-5	-1	-3	-3	-17	-1	-23	-9
35 - 44	-2	-4	-5	-12	-23	0	-23	-12
45 - 54	-6	-4	6	10	-35	12	-35	-10
55 - 64	-17	-14	3	-3	-12	12	-40	-12
65 +	-9	1	-3	-10	-19	9	-22	-8
Income:								
Under \$15K	-45	-41	-40	-42	-61	-32	-61	-48
\$15K To \$24.9K	-31	-29	-17	-18	-25	-12	-40	-29
\$25K To \$39.9K	-8	-6	2	-19	-17	5	-26	-11
\$40K To \$49.9K	8	2	-4	6	-31	26	-31	5
Over \$50K	32	37	34	35	12	37	12	23
Region:								
Northeast	-8	-5	-5	-16	-29	-5	-34	-17
Midwest	-7	-3	-2	6	-10	10	-15	-1
South	-7	-8	-1	-3	-22	1	-24	-12
West	-4	3	-1	-9	-22	6	-23	-11
Race:								
White	-1	2	2	-1	-15	4	-15	-6
Black	-42	-35	-18	-28	-54	-10	-54	-35
Politics:								
Republican	4	12	7	3	-6	12	-12	1
Democrat	-9	-7	7	-3	-28	10	-28	-11
Independent	-10	-10	-13	-13	-26	-8	-26	-15
Education:								
< High School	-36	-23	-23	-28	-49	-20	-49	-38
High Sch. Grad.	-19	-13	-10	-9	-27	-4	-27	-17
College +	12	10	11	7	-6	12	-6	5
Home:								
Own	2	3	1	0	-15	5	-15	-4
Rent	-25	-17	-11	-13	-34	-11	-37	-26
Marital Status:								
Single	-8	-3	-5	-14	-16	0	-26	-12
Married	-1	1	3	1	-18	4	-18	-5

Sep/Wid/Div	-25	-20	-16	-15	-37	-9	-43	-27
Employ. Status:								
Full-Time	6	6	8	2	-13	11	-13	-2
Part-Time	-13	-15	-14	-10	-22	-8	-35	-19
Not Employed	-21	-14	-12	-11	-31	-5	-33	-20