

SURVEY#: 506 DATE: 4/03/94 TO 9/09/99 #INT: 1 GEN USA
ABC NEWS/MONEY CONSUMER INDEX - 1/14/96

EMBARGOED FOR RELEASE AFTER 6:30 p.m. Wednesday, Jan. 17, 1996

BAD RATINGS OF BUYING CLIMATE
WORSEN CONSUMER CONFIDENCE

Debt-burdened consumers are calling this a bad time to spend money in the largest numbers in more than two years, dealing a damaging blow to overall consumer confidence, the latest ABC News/Money magazine poll shows.

Sixty-eight percent of Americans say it's a bad time to buy things they want and need, the most in the weekly poll since Nov. 28, 1993. That's up eight points since just last month, when pre-Christmas markdowns boosted views of the buying climate but still failed to rescue the shopping season.

The deterioration has pushed the ABC/Money Consumer Comfort Index to -19 on its scale of +100 to -100, its worst in two months. The index is based on public ratings of the economy, buying climate and personal finances.

The index averaged -9 from 1986 to mid-1990, then plummeted with the recession to -39 from mid-1990 to 1993. It recovered to an average -15 last year, its best so far of the rocky 1990s. But it's started 1996 worse than its average for the previous year, the first time that's happened since 1992.

	ABC/Money Index
Today	-19
1995	-15
1994	-19
1990-93	-39
1986-90	-9

INDICES - The strongest component of the index is personal finances: Fifty-seven percent say theirs are in good shape, a point above the 1995 average, eight points above its level during 1990-93 and equal the pre-recession level.

The other two ratings are decidedly sour: Sixty-eight percent think the economy is still in trouble, and 68 percent call it a bad time to buy things. But these numbers at least are much better than they were from 1990-93.

	Today	1990-93	1986-90
Negative on national economy	68	85	59
Negative on buying climate	68	74	61
Positive on personal finances	57	49	57

GROUPS - Confidence lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is -3 among men but -33 among women; +18 in higher-income households but -59 in the lowest; -14 among whites but -52 among blacks; and -3 among people who've attended college but -42 among high school dropouts.

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

NATIONAL ECONOMY- Sixty-eight percent rate the economy negatively, up two points 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-seven percent rate their finances positively, up two points 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-eight 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	68% neg	57% pos	68% 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 1,041 interviews in the month ending Jan. 14 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.

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.

01/14/96	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	-19	-17	-13	-17	-15	-9	-20	-15
State of Economy	-36	-32	-28	-30	-28	-26	-38	-30
Personal Finances	14	10	8	8	12	22	4	13
Buying Climate	-36	-30	-20	-30	-28	-20	-36	-27

OVERALL INDEX BY DEMOGRAPHIC GROUPS

Sex:

Men	-3	-1	0	-1	-5	4	-13	-3
Women	-33	-32	-26	-31	-24	-19	-33	-25

Age:

18 - 34	-14	-16	-6	-12	-14	-4	-19	-12
35 - 44	-22	-18	-19	-10	-14	4	-26	-14
45 - 54	-36	-30	-12	-23	-16	-3	-36	-16
55 - 64	-13	-8	-2	-15	-20	0	-36	-16
65 +	-15	-18	-34	-30	-12	2	-34	-18

Income:

Under \$15K	-59	-55	-49	-59	-48	-40	-60	-52
\$15K To \$24.9K	-30	-40	-46	-35	-36	-15	-48	-33
\$25K To \$39.9K	-15	-17	-12	-18	-10	-2	-29	-13
\$40K To \$49.9K	-22	-14	3	-5	10	11	-22	-2
Over \$50K	18	24	31	27	18	32	12	21

Region:

Northeast	-24	-22	-20	-26	-20	-13	-32	-22
Midwest	-10	-8	-9	-3	-3	11	-21	-5
South	-22	-20	-9	-17	-15	-9	-25	-16
West	-20	-17	-19	-22	-23	0	-27	-16

Race:

White	-14	-12	-8	-13	-12	-5	-15	-10
Black	-52	-56	-48	-40	-39	-24	-61	-42

Politics:

Republican	-4	-1	2	-5	-4	6	-10	-2
Democrat	-26	-24	-17	-24	-17	-11	-26	-19
Independent	-22	-20	-18	-19	-19	-11	-25	-18

Education:

< High School	-42	-48	-41	-49	-39	-30	-53	-43
High Sch. Grad.	-29	-30	-22	-28	-18	-14	-30	-22
College +	-3	4	3	3	-3	7	-4	2

Home:

Own	-14	-12	-5	-14	-8	-2	-15	-9
Rent	-31	-32	-37	-24	-31	-19	-38	-30

Marital Status:

Single	-14	-12	-2	-18	-24	3	-24	-11
Married	-15	-14	-9	-12	-5	-4	-16	-10
Sep/Wid/Div	-40	-38	-43	-32	-39	-21	-45	-36

Employ. Status:

Full-Time	-14	-8	-1	-4	-7	3	-14	-5
Part-Time	-8	-10	-22	-22	-14	-4	-34	-20
Not Employed	-31	-33	-28	-34	-26	-18	-35	-26