

Consumer Confidence Nose-dives; One of its Steepest Drops on Record

Recording one of its steepest drops in 17 years of weekly polls, consumer confidence nose-dived this week to its lowest level since December 1993.

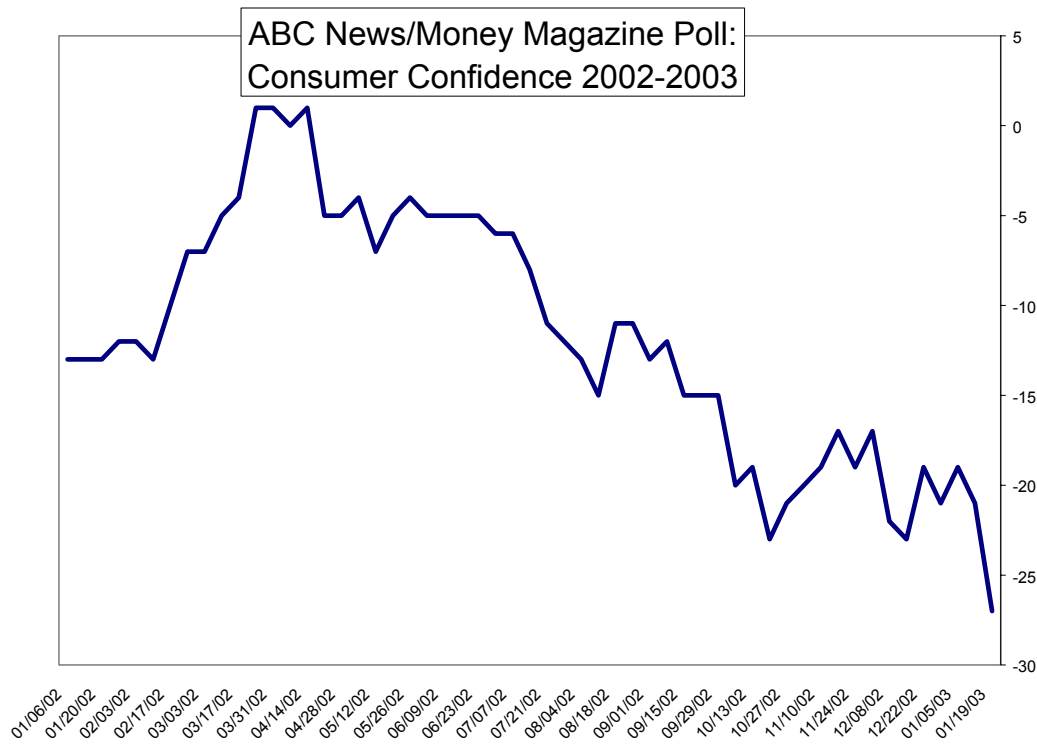
The ABC News/Money magazine Consumer Comfort Index, based on public views of current economic conditions, plunged six points to -27 on its scale of +100 to -100. A drop this big is extraordinarily rare; it's happened only six times in nearly 900 weeks of continuous polling. Four of them have happened since 2001; the other two in 1990.

All three measures in the ABC/Money index sustained hits:

-The number of Americans who say the national economy is in good shape – just 24 percent – has lost five points in the last month to reach its lowest since December 1993.

-The number rating their own finances positively – 52 percent – has dropped five points in two weeks to match its lowest since August 1995.

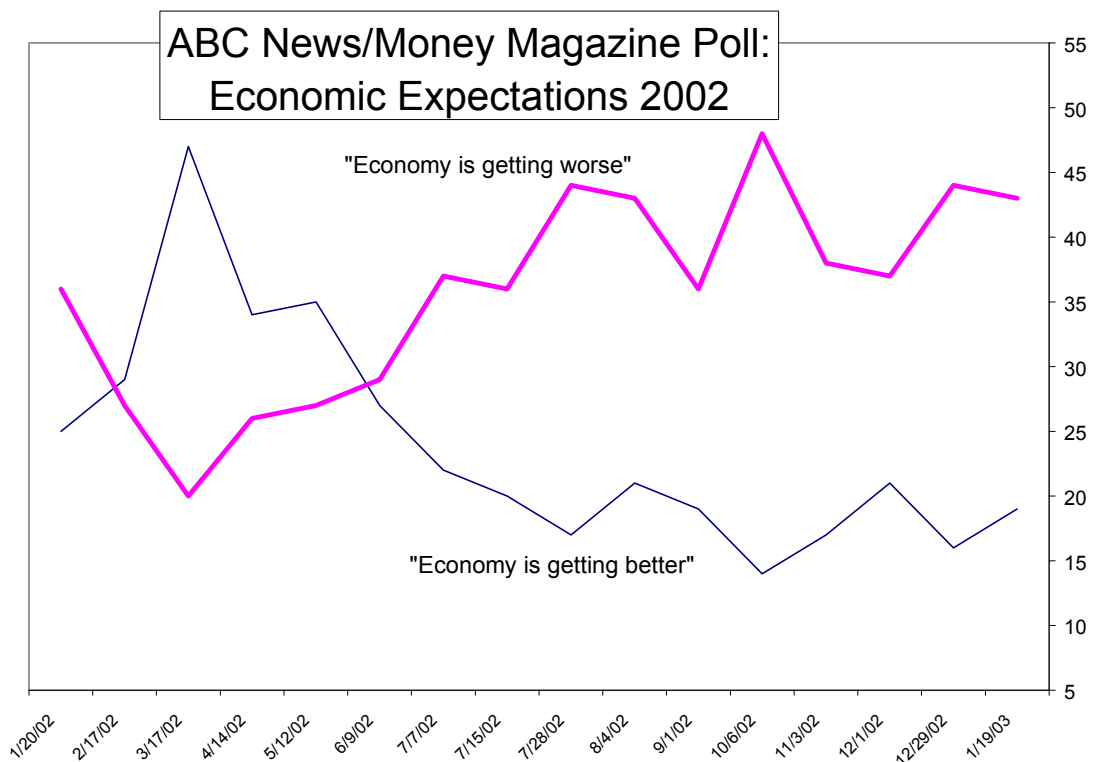
-The number who call it a good time to buy things – just 34 percent – has fallen seven points since last month to its lowest since January 1996. This measure can be critical, because consumer spending accounts for two-thirds of the nation's economic activity.



A variety of factors are likely at play. Consumer confidence is quite vulnerable to oil and gasoline prices, and oil prices have risen to a two-year high. An ABC News/Washington Post poll today finds that for the first time in his presidency, a majority of Americans, 53 percent, disapprove of George W. Bush's handling of the economy, up 10 points since he announced his stimulus package. Six in 10 think his proposed tax cuts favor the rich, and most prefer to see more spending on domestic programs, or a reduction in the federal deficit, rather than a tax cut.

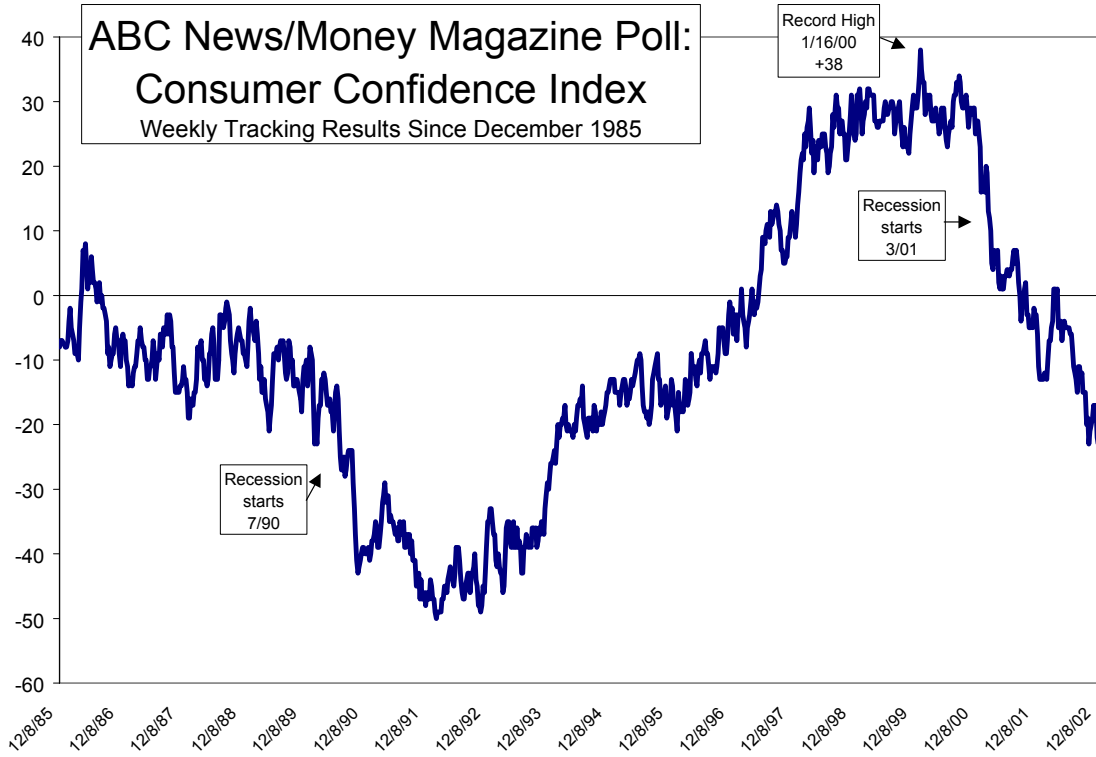
Positive ratings of:	ABC News/Money magazine poll				
	This week	Last week	2002 high	2002 low	17-yr. avg.
National economy	24%	26	45	25	41
Buying climate	34	37	45	36	39
Personal finances	52	55	63	52	57
Consumer Comfort Index	-27	-21	+1	-23	-9

EXPECTATIONS – As bleak as things look today, Americans by more than 2-1 expect worse. Forty-three percent say the economy's getting worse, while only 19 percent think it's getting better. Thirty-seven percent say it's holding steady.



TREND – While it's down sharply, consumer confidence is far from its worst. The ABC/Money index has been as low as -50 in February 1992, and averaged just -44 in 1992, its worst year on record. Its best annual average was +29 in 2000; last year the index averaged -11, its worst since 1996. Its lifetime average since December 1985 is -9.

		ABC/Money Index	
Today		-27	
Last week		-21	
2002 high	+1	March, April	
2002 low	-23	Oct. 20, Dec. 15	
2002 average	-11		
2001 average	+4		
2000 average	+29	Best full year	
1992 average	-44	Worst full year	
Jan. 16, 2000	+38	Record high	
Feb. 9, 1992	-50	Record low	
Average since 12/85	-9		



GROUPS - As usual, confidence is higher among better-off Americans. The index stands at -2 among people in higher-income households compared to -60 in the lowest, -12 among college graduates while -43 among high-school dropouts, -21 among whites while -53 among blacks and -14 among men while -38 among women.

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

NATIONAL ECONOMY – Twenty-four percent of Americans rate the nation's economy as excellent or good; it was 26 percent last week. The best was 80 percent Jan. 16, 2000. The worst was seven percent in late 1991 and early 1992.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	24	0	24	76	53	23
Avg. since 12/85	41	4	37	59	40	19

PERSONAL FINANCES - Fifty-two percent rate their own finances as excellent or good; it was 55 percent last week. The best was 70 percent, set Aug. 30, 1998 and last matched in January 2000. The worst was 42 percent March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	52	4	48	48	37	11
Avg. since 12/85	57	5	53	43	30	12

BUYING CLIMATE - Thirty-four percent say it's an excellent or good time to buy things they want and need; it was 37 percent last week. The best was 57 percent Jan. 16, 2000. The worst was 20 percent in fall 1990.

	Pos. NET	Excel.	Good	Neg. net	Not good	Poor
This week	34	2	32	66	46	20
Avg. since 12/85	39	3	36	61	41	20

METHODOLOGY - The ABC News/Money magazine Consumer Comfort Index represents a rolling average based on telephone interviews with a random sample of about 1,000 adults nationwide each month. This week's results are based on 1,008 interviews in the month ending Jan. 19, 2003 and have an error margin of plus or minus three percentage points. The expectations question was conducted among 505 respondents Jan. 8-19; that result has a 4.5-point error margin. Field work 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 Dalia Sussman.

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

Media contact: Cathie Levine, (212) 456-4934.

01/19/03	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	-27	-21	-19	-23	-13	1	-27	-12
State of Economy	-52	-48	-42	-48	-34	-10	-52	-32
Personal Finances	4	10	10	6	16	26	4	16
Buying Climate	-32	-26	-26	-28	-20	-10	-32	-20
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	OVERALL INDEX BY DEMOGRAPHIC GROUPS							
Sex:								
Men	-14	-13	-15	-16	-6	9	-17	-4

Women	-38	-29	-23	-30	-17	-4	-38	-18
Age:								
18 - 34	-24	-16	-7	-12	-5	10	-24	-5
35 - 44	-27	-18	-28	-19	-8	3	-31	-13
45 - 54	-28	-27	-25	-37	-10	6	-37	-13
55 - 64	-25	-22	-20	-26	-29	20	-30	-12
65 +	-31	-31	-29	-34	-20	-5	-36	-21
Income:								
Under \$15K	-60	-61	-48	-49	-47	-26	-61	-45
\$15K To \$24.9K	-48	-38	-49	-33	-37	-19	-55	-33
\$25K To \$39.9K	-36	-39	-39	-34	-18	1	-43	-19
\$40K To \$49.9K	-16	-7	-18	-14	-3	12	-30	-5
Over \$50K	-2	6	10	-12	16	33	-15	11
Region:								
Northeast	-24	-25	-21	-29	-10	2	-32	-15
Midwest	-26	-22	-16	-23	-14	4	-27	-11
South	-29	-22	-22	-25	-12	4	-29	-13
West	-24	-16	-17	-15	-13	9	-24	-7
Race:								
White	-21	-16	-17	-18	-7	7	-21	-7
Black	-53	-49	-46	-43	-36	-18	-53	-37
Politics:								
Republican	4	10	14	2	17	34	2	13
Democrat	-42	-40	-35	-37	-25	-14	-42	-25
Independent	-38	-34	-29	-28	-15	-2	-38	-15
Education:								
< High School	-43	-37	-53	-33	-48	-12	-59	-36
High Sch. Grad.	-39	-30	-24	-26	-15	-3	-39	-15
College +	-12	-10	-4	-18	2	13	-18	-1
Home:								
Own	-21	-16	-13	-21	-9	9	-21	-7
Rent	-40	-34	-35	-27	-21	-9	-40	-23
Marital Status:								
Single	-20	-19	-13	-17	-6	10	-20	-8
Married	-25	-18	-15	-20	-6	11	-25	-7
Sep/Wid/Div	-37	-36	-41	-41	-41	-14	-42	-29
Employ. Status:								
Full-Time	-19	-16	-10	-20	-2	12	-20	-3
Part-Time	-20	-14	-21	-16	-8	14	-28	-9
Not Employed	-40	-33	-32	-30	-28	-13	-40	-24

1. Do you think the nation's economy is getting better, getting worse or staying the same?

	Getting Better	Getting Worse	Staying the Same	No Opinion
1/19/03	19	43	37	0
12/29/02	16	44	39	1
12/1/02	21	37	42	1
11/3/02	17	38	44	0
10/6/02	14	48	37	1
9/1/02	19	36	44	1
8/4/02	21	43	34	0
7/28/02*	17	44	39	1
7/15/02*	20	36	43	2
7/7/02	22	37	41	0
6/9/02	27	29	43	1
5/12/02	35	27	38	0

4/14/02	34	26	40	0
3/17/02	47	20	32	1
2/17/02	29	27	42	2
1/20/02	25	36	39	1
12/9/01	24	37	38	1
11/11/01	16	48	36	1
10/14/01	15	46	39	0
9/16/01	9	44	46	1
8/12/01	16	46	38	0
7/15/01	13	40	46	0
6/17/01	17	45	38	1
5/20/01	13	47	39	0
4/22/01	12	44	44	0
3/25/01	13	49	37	1
2/11/01	13	45	41	1
1/14/01	12	40	47	1

Call for full trend.

*ABC/Post

END