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ABC NEWS/MONEY CONSUMER INDEX - 1/21/96

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CONFIDENCE DOWN AGAIN;
ITS WORST SINCE SEPT. 1994

Consumer confidence has fallen this week to its worst level in nearly a year and a half, continuing a steep slide that began with the New Year, the latest ABC News/Money magazine poll has found.

Sixty-nine percent of Americans now say the economy's in bad shape - the most since July - and 68 percent call this a bad time to spend money, tied for the most since late 1993. Most say their own finances are O.K., but taken together these three measures are their worst since Sept. 25, 1994.

The ABC/Money Consumer Comfort Index, based on these questions, fell two points this week to -21 on its scale of +100 to -100. It's down eight points since Dec. 17 and now is below its average for 1995 and even 1994.

Concern over the federal budget dispute may be at play, but a more long-term culprit has been slow growth in income - an issue that's kept public faith in the economy depressed all through the 1990s.

The ABC/Money 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.

	ABC/Money Index
Today	-21
1995	-15
1994	-19
1990-93	-39
1986-90	-9

The recent downward trend in confidence can't be welcome news to Bill Clinton, given that nothing hurts an incumbent president like public unhappiness with the economy. This is the worst start to consumer confidence in a new year since 1992 - the year George Bush got the boot.

vs DOLE - There is a bit of brighter news for Clinton in this ABC/Money poll, however - he outscores his most likely Republican challenger, Bob Dole, in public trust to handle the economy.

Forty-two percent said they trust Clinton to do a better job handling the economy, while 34 percent chose Dole. Fourteen percent volunteered that they didn't trust either one to handle it.

Trust to handle economy:	
Clinton	42
Dole	34

Both equally (vol.)	1
Neither (vol.)	14

There's a division between the sexes on this question: Men narrowly favored Dole to handle the economy, 41-35 percent. But women favored Clinton by a much wider margin, 48-29 percent. Also, while each candidate won broad support in his own party, Clinton led among independents, 40-26 percent.

INDICES - In the ABC/Money index, the strongest component is personal finances: Fifty-six percent say theirs are in good shape, a point below the pre-recession level. While the other two ratings are decidedly sour, at least they're still better than they were from 1990-93.

	Today	1990-93	1986-90
Negative on national economy	69	85	59
Negative on buying climate	68	74	61
Positive on personal finances	56	49	57

GROUPS - Confidence lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is -9 among men but -31 among women; +12 in higher-income households but -61 in the lowest; -15 among whites but -54 among blacks; and -6 among people who've attended college but -49 among high school dropouts.

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

NATIONAL ECONOMY- Sixty-nine percent rate the economy negatively, up a point 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-six percent rate their finances positively, down a point 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, unchanged 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	69% neg	56% 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 1,035 interviews in the month ending Jan. 21 and have an error margin of plus or minus 3.5 percentage points. The question on Clinton and Dole was put to 514 respondents Jan. 10-21; that result 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.

01/21/96	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	-21	-19	-14	-16	-15	-9	-21	-15
State of Economy	-38	-36	-30	-32	-26	-26	-38	-31
Personal Finances	12	14	10	12	12	22	4	13
Buying Climate	-36	-36	-22	-28	-32	-20	-36	-27

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	-9	-3	0	0	-3	4	-13	-3
Women	-31	-33	-27	-30	-27	-19	-33	-25
Age:								
18 - 34	-17	-14	-9	-11	-14	-4	-19	-12
35 - 44	-23	-22	-15	-11	-17	4	-26	-14
45 - 54	-35	-36	-21	-20	-15	-3	-36	-17
55 - 64	-12	-13	-12	-22	-24	0	-36	-16
65 +	-19	-15	-25	-22	-9	2	-34	-18
Income:								
Under \$15K	-61	-59	-50	-52	-44	-40	-61	-52
\$15K To \$24.9K	-25	-30	-48	-38	-33	-15	-48	-33
\$25K To \$39.9K	-17	-15	-16	-23	-13	-2	-29	-13
\$40K To \$49.9K	-31	-22	6	6	0	11	-31	-3
Over \$50K	12	18	31	29	15	32	12	21
Region:								

Northeast	-29	-24	-17	-17	-16	-13	-32	-22
Midwest	-10	-10	-9	-11	-7	11	-21	-5
South	-22	-22	-15	-15	-14	-9	-25	-16
West	-22	-20	-15	-20	-26	0	-27	-15
Race:								
White	-15	-14	-9	-13	-13	-5	-15	-10
Black	-54	-52	-49	-27	-35	-24	-61	-43
Politics:								
Republican	-6	-4	1	-5	-9	6	-10	-2
Democrat	-28	-26	-22	-18	-12	-11	-28	-19
Independent	-26	-22	-17	-19	-21	-11	-26	-19
Education:								
< High School	-49	-42	-36	-51	-43	-30	-53	-44
High Sch. Grad.	-27	-29	-23	-25	-19	-14	-30	-23
College +	-6	-3	1	5	-1	7	-6	2
Home:								
Own	-15	-14	-6	-13	-9	-2	-15	-9
Rent	-34	-31	-35	-23	-30	-19	-38	-30
Marital Status:								
Single	-16	-14	-8	-13	-19	3	-20	-11
Married	-18	-15	-9	-12	-10	-4	-18	-10
Sep/Wid/Div	-37	-40	-42	-32	-33	-21	-45	-36
Employ. Status:								
Full-Time	-13	-14	-1	-4	-9	3	-14	-5
Part-Time	-22	-8	-15	-16	-12	-4	-34	-20
Not Employed	-31	-31	-30	-34	-26	-18	-35	-26