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ABC NEWS/MONEY CONSUMER INDEX - 1/27/97
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CONFIDENCE HOLDS STEADY
NEAR ITS EIGHT-YEAR PEAK

Consumer confidence held steady this week near its eight-year peak, with most Americans rating their finances positively - but still reluctant to spend much money. That could help keep higher inflation at bay.

The ABC News/Money magazine Consumer Comfort Index stands at -3 on its scale of +100 to -100. That's near its recent high of -1 on Dec. 1, a level it last saw fleetingly in September 1988.

The index is based on Americans' views of their own finances, the economy and the buying climate. Today 59 percent rate their finances positively and 49 percent call the economy "excellent" or "good" - but just 38 percent say it's a good time to buy things they want and need.

While views of the buying climate have lagged, overall confidence is enjoying its best start to a new year since the weekly poll began in late 1985.

INDEX - The index averaged -11 last year, its best since 1989. It averaged a dismal -30 from 1990-95, compared to -9 in pre-recession 1986-90.

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

INDICES - As usual, ratings of personal finances are the only positive part of the index. Fifty-one percent call the economy "not so good" or "poor" - a majority, but far fewer than the index average of 69 percent negative. Sixty-two percent call the buying climate "not so good" or "poor."

Views of the economy have powered the recent resurgence of confidence; they're eight points better than their pre-recession average. Ratings of personal finances are two points better; views of the buying climate are a point worse.

All three 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	38	26	39
Personal finances	59	49	57

INCOME - Growth in income is closely related to consumer confidence, and the Department of Labor reported yesterday that wages and salaries grew 3.3 percent last year, their fastest rate of increase since 1991.

The rise in wages kept pace with inflation, which also was 3.3 percent in 1996. In the first three years of the 1990s, by contrast, inflation outstripped growth in income, prompting broad economic discontent.

GROUPS - Confidence lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is +9 among men but -13 among women; +2 among whites but -37 among blacks; +30 in higher-income households but -46 in the lowest; and +16 among people who have attended college but -27 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, down one point 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-nine percent rate their finances positively, down one point 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-two percent call this a bad time to buy things, down one 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	51% neg	59% pos	62% 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 1,038 interviews in the month ending Jan. 19 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.

01/26/97	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	-3	-3	-6	-7	-17	-1	-18	-10
State of Economy	-2	-4	-6	-16	-36	4	-36	-19
Personal Finances	18	20	14	18	16	22	8	15
Buying Climate	-24	-26	-26	-24	-30	-18	-30	-25

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	9	10	6	-5	-4	10	-9	1
Women	-13	-15	-17	-9	-27	-8	-31	-19
Age:								
18 - 34	-7	-6	-4	-11	-12	-1	-23	-9
35 - 44	-5	0	-13	-19	-23	0	-23	-12
45 - 54	3	1	-1	6	-9	12	-27	-9
55 - 64	-2	-10	-10	8	-29	12	-40	-11
65 +	3	-2	-4	-5	-13	9	-22	-7
Income:								
Under \$15K	-46	-42	-40	-40	-53	-32	-58	-47
\$15K To \$24.9K	-19	-26	-31	-30	-28	-12	-40	-29
\$25K To \$39.9K	-2	-1	-8	-19	-20	5	-26	-11
\$40K To \$49.9K	10	8	-1	8	-4	26	-10	6
Over \$50K	30	29	36	21	20	37	12	24
Region:								
Northeast	-1	-3	-9	-17	-31	-1	-34	-16
Midwest	-2	-3	-7	5	-11	10	-15	-1
South	-3	-5	-7	-8	-14	1	-24	-11
West	-4	-1	-2	-10	-10	6	-23	-11
Race:								
White	2	1	-2	-5	-11	4	-14	-5
Black	-37	-35	-25	-22	-44	-10	-51	-34
Politics:								
Republican	11	7	6	-5	-1	12	-12	2
Democrat	-8	-8	-5	-7	-26	10	-27	-10
Independent	-5	-4	-14	-9	-18	-4	-25	-15
Education:								
< High School	-27	-30	-37	-32	-42	-20	-47	-37
High Sch. Grad.	-16	-17	-12	-9	-20	-4	-26	-16

College +	16	16	9	3	-4	16	-4	5
Home:								
Own	6	4	-1	-1	-8	6	-11	-3
Rent	-25	-21	-18	-20	-34	-11	-37	-26
Marital Status:								
Single	-13	-7	-6	-20	-12	0	-26	-12
Married	5	4	-1	0	-10	5	-11	-4
Sep/Wid/Div	-20	-24	-22	-20	-41	-9	-43	-26
Employ. Status:								
Full-Time	5	5	5	-1	-6	11	-11	-1
Part-Time	1	3	-22	-22	-35	3	-35	-18
Not Employed	-13	-15	-16	-9	-31	-5	-33	-19