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ABC NEWS/MONEY CONSUMER INDEX - 1/28/96

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CONSUMER CONFIDENCE SURGES -
SECOND-BEST GAIN IN TEN YEARS

A rare and powerful surge lifted consumer confidence this week to its best level of the year, reversing a month and a half of steady declines.

The ABC News/Money magazine Consumer Comfort Index gained six points, the second largest one-week advance in its 10-year history. It once advanced by seven points in a week in July 1988.

The index is based on a four-week rolling average of views of the economy, buying climate and personal finances. Averaging tends to smooth out sudden

changes, but this week a very negative week rolled out, and a very positive one rolled in.

Result: The index, figured on a scale of +100 to -100, jumped from -21 to -15. It's the first time the index has moved by six points in either direction in a single week since this poll started in late 1985; it's moved by seven points once, and by five points eight times.

Even with this surge, confidence has just regained its average for all of 1995, and remains well below its pre-recession level of the late 1980s.

INDICES - Two factors led the turnaround:

-The number of people calling this a bad time to buy things fell four points, from 68 percent, a more than two-year high, to 64 percent. The Christmas shopping hangover and bill-paying blues may be easing.

- Fifty-nine percent give a positive rating to their own finances, up three points. It hasn't been better since last June, when the Consumer Comfort Index hit a more than five-year high.

A cloud remains over the third item: Sixty-eight percent of Americans give a negative rating to the national economy, down a point this week but still five points higher than it was last June.

	Today	Last Wk.	1990-93	1986-90
Negative on national economy	68	69	85	59
Negative on buying climate	64	68	74	61
Positive on personal finances	59	56	49	57

EVENTS - Consumer confidence is susceptible to a variety of influences - both long-term economic issues and short-term political ones. On the short-term side, positive news last week included an apparent end to the threat of renewed government shutdown, and Bill Clinton's well-received State of the Union address. Longer term, issues such as job stagnation and slow growth in income have kept confidence depressed all through the 1990s.

The ABC/Money index averaged -9 from 1986 to mid-1990, then dived 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 started this year by falling to -21 last week, its worst start to a new year since 1992.

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

GROUPS - Confidence still lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is -8 among men but -23 among women; +18 in higher-income households but -53 in the lowest; -10 among whites but -51 among blacks; and -3 among people who've attended college but -43 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, down 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-nine percent rate their finances positively, up three 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-four percent call this a bad time to buy things, down four 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	59% pos	64% 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	70% neg	54% pos	66% neg

(1986-1995)

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 1,028 interviews in the month ending Jan. 28 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.

01/28/96	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	-15	-21	-17	-15	-15	-9	-21	-15
State of Economy	-36	-38	-32	-30	-26	-26	-38	-31
Personal Finances	18	12	10	12	10	22	4	13
Buying Climate	-28	-36	-28	-26	-30	-20	-36	-27

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	-8	-9	2	1	1	4	-13	-3
Women	-23	-31	-32	-28	-30	-19	-33	-25
Age:								
18 - 34	-12	-17	-13	-12	-18	-4	-19	-12
35 - 44	-18	-23	-19	-9	-15	4	-26	-14
45 - 54	-22	-35	-23	-11	-11	-3	-36	-17
55 - 64	-19	-12	-10	-22	-24	0	-36	-16
65 +	-15	-19	-20	-23	-4	2	-34	-18
Income:								
Under \$15K	-53	-61	-52	-53	-44	-40	-61	-52
\$15K To \$24.9K	-24	-25	-41	-36	-35	-15	-48	-33
\$25K To \$39.9K	-13	-17	-16	-21	-8	-2	-29	-13
\$40K To \$49.9K	-23	-31	-3	6	-1	11	-31	-3
Over \$50K	18	12	26	32	19	32	12	21
Region:								
Northeast	-24	-29	-18	-17	-16	-13	-32	-22
Midwest	-7	-10	-11	-13	-8	11	-21	-5
South	-17	-22	-18	-16	-12	-9	-25	-17
West	-17	-22	-15	-10	-27	0	-27	-15
Race:								

White	-10	-15	-11	-12	-12	-5	-15	-10
Black	-51	-54	-49	-24	-31	-24	-61	-43
Politics:								
Republican	1	-6	-5	-8	-1	6	-10	-2
Democrat	-27	-28	-20	-22	-14	-11	-28	-20
Independent	-17	-26	-18	-12	-23	-11	-26	-19
Education:								
< High School	-43	-49	-36	-45	-45	-30	-53	-44
High Sch. Grad.	-20	-27	-29	-24	-19	-14	-30	-23
College +	-3	-6	2	5	1	7	-6	2
Home:								
Own	-10	-15	-11	-10	-9	-2	-15	-9
Rent	-29	-34	-29	-25	-28	-19	-38	-30
Marital Status:								
Single	-12	-16	-9	-10	-20	3	-20	-11
Married	-12	-18	-12	-10	-10	-4	-18	-11
Sep/Wid/Div	-32	-37	-41	-34	-31	-21	-45	-36
Employ. Status:								
Full-Time	-11	-13	-4	-3	-9	3	-14	-5
Part-Time	-22	-22	-19	-9	-19	-4	-34	-20
Not Employed	-31	-31	-30	-32	-22	-18	-35	-26