

**ABC NEWS CONSUMER INDEX – 1/31/10**

**EMBARGOED FOR RELEASE AFTER 5 p.m. Tuesday, Feb. 2, 2010**

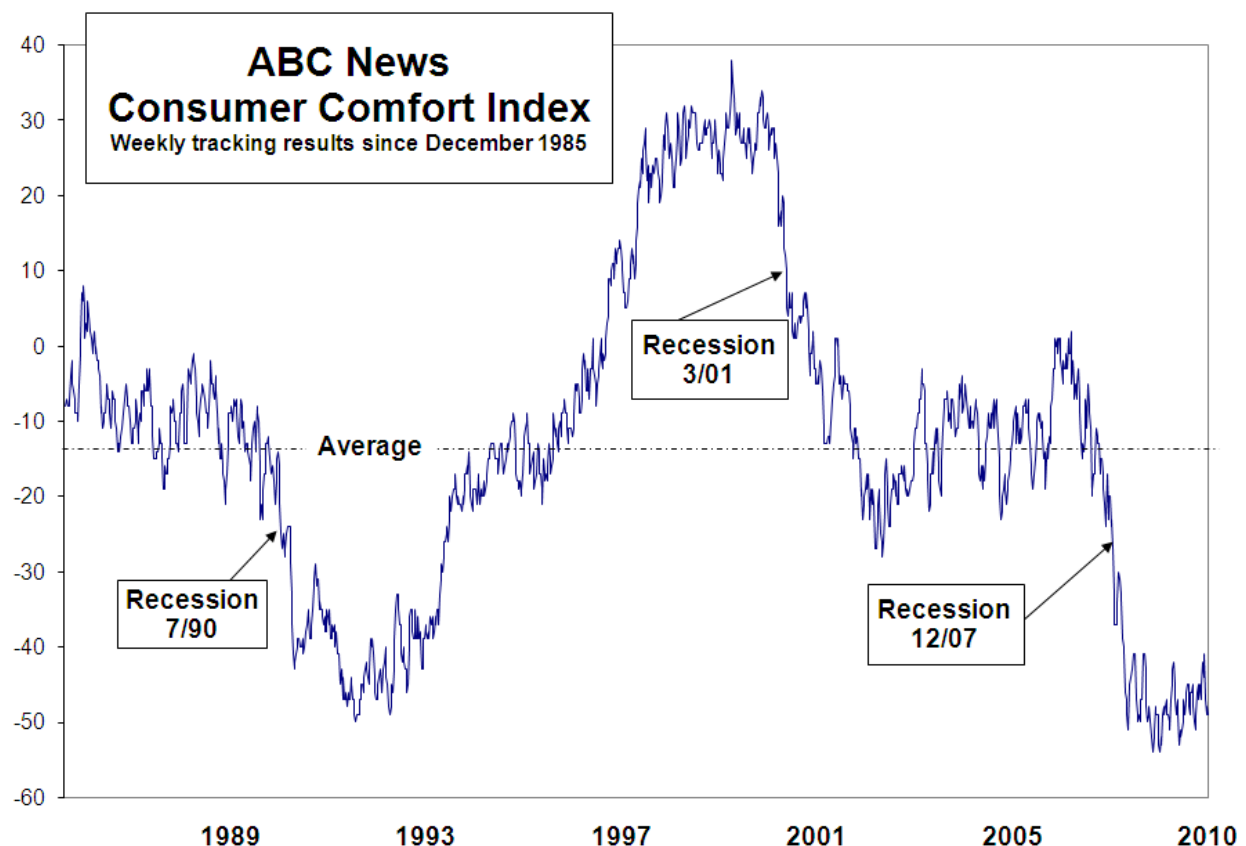
## **Weakened Buying Sentiment Hits Consumer Confidence**

Americans' ratings of the buying climate have softened to their worst level since fall, holding consumer confidence near its record low.

The ABC News Consumer Comfort Index stands at -49 on its scale of +100 to -100, in a 2-point range the past four weeks and just 5 points from its all-time low in 24 years of weekly polls, -54 last January. Its long-term average is -13.

Improved ratings of the buying climate led an advance in December, with the CCI reaching -41 the first week of January. That's evaporated: Seventy-eight percent now call it a bad time to buy things they want and need, up 8 points in seven weeks.

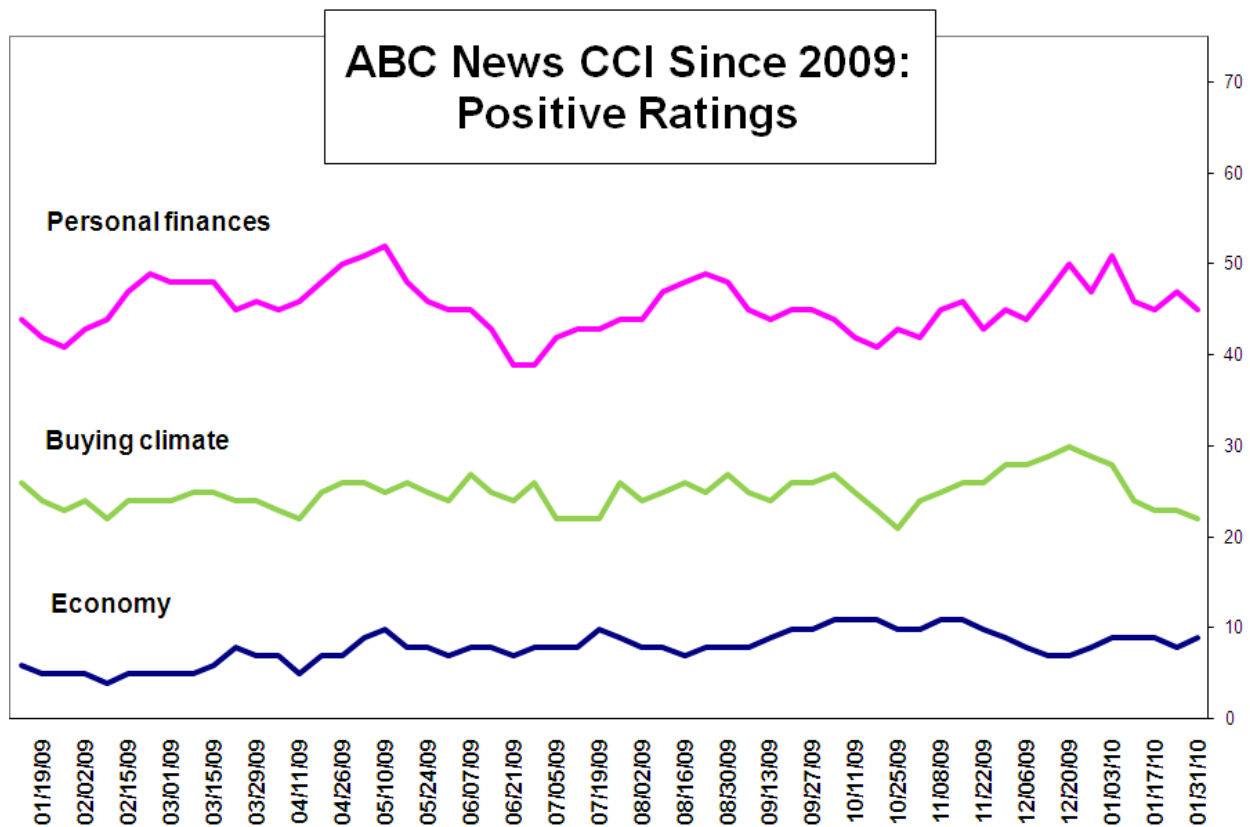
The other two components of the index have been steadier, but remain weak. Fifty-five percent rate their own finances negatively and 91 percent say the national economy's in bad shape.



GDP rose by 5.7 percent in the 4<sup>th</sup> quarter of 2009, the fastest since Q3 2003. But with unemployment still extraordinarily high that growth hasn't improved consumer views. Indeed the hangover could take time to clear: GDP shrank by 2.4 percent in 2009 overall, its first negative year since 1991 and the worst since 1946. And the CCI had its worst year on record.

INDEX – Views of the economy overall are the worst of the index's three measures. Only 9 percent of Americans rate it positively, 29 points below the long-term average and in single digits for 10 weeks straight.

Just 22 percent call it a good time to spend money, 15 points worse than average. And 45 percent rate their personal finances positively, 12 points below average and below a majority for 77 of the last 80 weeks.



ABC News CCI				
Positive ratings of:	This week	Last week	Averages	
			2010	'85-'10
National economy	9%	8	9	38
Buying climate	22	23	24	37
Personal finances	45	47	47	57
Consumer Comfort Index	-49	-48	-47	-13

**TREND** – The index has been below -40 for a record 93 consecutive weeks. It's just a point above the -50 mark, a level its reached 23 times since the recession began in December 2007, compared with just once previously, in February 1992, in weekly polls since December 1985.

As noted, the CCI showed faint signs of life late last year, reaching -41 Jan. 3, a 16-month high. But it took a sharp 6-point tumble the next week and has been basically flat since.

Compare its recent levels to its high, +38 in January 2000.

	ABC News CCI	
This week	-49	
Last week	-48	
2010 high	-41	Jan. 3
2010 low	-49	Jan. 17 and 31
2010 average	-47	
2009 average	-48	Worst full year
2000 average	+29	Best full year
Jan. 25, 2009	-54	Record low
Jan. 16, 2000	+38	Record high
Average since 12/85	-13	

**GROUPS** – The index as usual is higher among better-off Americans, but has been negative across the board for 49 weeks straight, the longest such run in available data since 1990.

It's -6 among those with the highest incomes but -75 among those with the lowest, -39 among people who've attended college vs. -70 among those who never finished high school (their lowest since November), -46 among homeowners but -61 among renters (their lowest since October) and -47 among men vs. -52 among women.

Notable this week is the racial gap, -51 among whites (a point from their lowest ever) vs. -47 among blacks; it's only the 8<sup>th</sup> time since 1990 the index has been numerically higher among blacks than whites (five of those since President Obama's inauguration).

Partisan gaps have been narrower this year. This week the index is -46 for Republicans vs. -51 for Democrats (and -49 for independents). That 5-point Republican-Democratic gap compares with an 18-point gap last year, 41 points in 2008 and 32 points long-term.

Here's a closer look at the three components of the ABC News CCI:

**NATIONAL ECONOMY** – Nine percent of Americans rate the economy as excellent or good; it was 8 percent last week. The highest was 80 percent Jan. 16, 2000. The worst was 4 percent Feb. 8, 2009.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	9	1	8	91	40	51
Avg. since 12/85	38	3	34	62	40	23

PERSONAL FINANCES – Forty-five percent say their own finances are excellent or good; it was 47 percent last week. The best was 70 percent, last reached in January 2000. The worst was 39 percent June 28 and 21, 2009.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	45	4	41	55	35	20
Avg. since 12/85	57	5	51	43	30	13

BUYING CLIMATE – Twenty-two percent say it's an excellent or good time to buy things; it was 23 percent last week. The best was 57 percent on Jan. 16, 2000. The worst was 18 percent, last reached Oct. 19, 2008.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	22	2	20	78	47	31
Avg. since 12/85	37	3	34	63	42	21

METHODOLOGY – Interviews for the ABC News Consumer Comfort Index are reported in a four-week rolling average. This week's results are based on telephone interviews among a random national sample of 1,000 adults in the four weeks ending Jan. 31, 2010. The results have a 3-point error margin. Field work by ICR-International Communications Research of Media, Pa.

The index is derived by subtracting the negative response to each index question from the positive response to that question. The three resulting numbers are 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.

ERRATA – A programming problem at ICR created errors in crosstabulated results by income group for the Jan. 19 report. The CCI overall and in other crosstabulations was not affected. This report has been updated with corrected results by income group.

Analysis by Peyton M. Craighill.

ABC News polls can be found online at <http://abcnews.com/pollingunit>.

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

01/31/10	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	-49	-48	-41	-49	-52	-41	-53	-48
State of Economy	-82	-84	-82	-80	-90	-78	-92	-84
Personal Finances	-10	-6	2	-16	-14	4	-22	-9
Buying Climate	-56	-54	-44	-52	-52	-40	-58	-50

#### OVERALL INDEX BY DEMOGRAPHIC GROUPS

Sex:

Men	-47	-47	-32	-44	-46	-28	-47	-41
Women	-52	-47	-50	-55	-57	-45	-60	-52
Age:								
18 - 34	-50	-39	-35	-41	-60	-31	-61	-43
35 - 44	-47	-51	-49	-55	-40	-35	-62	-49
45 - 54	-52	-56	-39	-54	-49	-36	-65	-48
55 - 64	-51	-48	-47	-51	-58	-39	-65	-51
65+	-47	-45	-40	-48	-49	-40	-56	-48
Income:								
Under \$15K	-75	-75	-66	-79	-76	-57	-84	-73
\$15K To \$24.9K	-70	-64	-65	-62	-70	-40	-81	-65
\$25K To \$39.9K	-61	-57	-54	-57	-69	-49	-73	-59
\$40K To \$49.9K	-49	-46	-43	-47	-61	-27	-68	-47
Over \$50K	-29	-25	-24	-32	-30	-19	-35	-28
\$50K To \$74.9K	-55	-38	-31	-38	-33	-24	-55	-39
\$75K To \$99.9K	-11	-11	-34	-30	-52	-11	-52	-28
Over \$100K	-6	-12	-6	-25	-7	5	-31	-14
Region:								
Northeast	-48	-45	-46	-55	-47	-38	-62	-49
Midwest	-52	-53	-44	-46	-57	-41	-57	-48
South	-47	-49	-41	-53	-58	-39	-58	-48
West	-52	-40	-34	-41	-41	-19	-58	-42
Race:								
White	-51	-48	-38	-50	-49	-38	-52	-46
Black	-47	-60	-60	-56	-63	-41	-68	-55
Politics:								
Republican	-46	-50	-39	-38	-34	-28	-54	-37
Democrat	-51	-48	-47	-49	-61	-40	-63	-52
Independent	-49	-46	-39	-51	-52	-37	-59	-48
Education:								
< High School	-70	-61	-49	-77	-64	-49	-82	-65
High Sch. Grad.	-61	-64	-51	-58	-58	-46	-65	-55
College +	-39	-34	-33	-37	-45	-30	-46	-38
Home:								
Own	-46	-44	-38	-46	-47	-35	-49	-42
Rent	-61	-58	-51	-57	-68	-47	-71	-59
Marital Status:								
Single	-53	-54	-47	-50	-56	-34	-66	-50
Married	-40	-37	-34	-47	-43	-33	-47	-40
Sep/Wid/Div	-68	-65	-51	-56	-67	-50	-70	-60
Employ. Status:								
Full-Time	-37	-37	-28	-39	-41	-28	-45	-37
Part-Time	-57	-52	-53	-47	-57	-31	-67	-50
Not Employed	-58	-55	-51	-60	-61	-48	-64	-56

\*\*\*END\*\*\*