

Confidence Dips, But Remains Strong

Consumer confidence dipped this week to its lowest level since November 1999.

While confidence is down from its record-shattering highs last month, it's still strong. Seventy-five percent of Americans say the national economy is in good shape, 66 percent rate their own finances positively, and 51 percent call it a good time to buy things.

| Positive ratings: | ----- Since 12/85 ----- | | | |
|-------------------|-------------------------|---------|--------|---------|
| | Today | Highest | Lowest | Average |
| National Economy | 75% | 80 | 7 | 39 |
| Personal Finances | 66 | 70 | 42 | 56 |
| Buying Climate | 51 | 57 | 20 | 38 |

Americans are feeling a positive impact of the booming economy in their pocketbooks. Nearly three-fourths of Americans say this is a good time for them financially, including 18 percent who say it's the best their personal finances have ever been. These numbers are up slightly since 1998.

| | Personal Finances | | | |
|---------|-------------------|------|-----|-------|
| | Best | Good | Bad | Worst |
| 2/13/00 | 18 | 54 | 19 | 9 |
| 2/1/98 | 14 | 52 | 25 | 7 |

Not surprisingly, those with higher incomes are more positive about the state of their personal finances. Twenty-seven percent of those with annual household incomes over \$50,000 say this is the best time in their lives financially. This drops to 12 percent among those earning under \$25,000.

INDEX - The ABC/Money Consumer Comfort Index, based on these ratings, stands at +28 on its scale of +100 to -100, down five points from last week and 10 points below the all-time record set a month ago. The index has averaged -11 since late 1985, stunted by dismal levels in the early '90s.

| | ABC/Money Index |
|---------------------|---------------------|
| Today | +28 |
| Last week | +33 |
| Jan. 16, 2000 | +38 Record High |
| 1999 average | +28 Best full year |
| 1992 average | -44 Worst full year |
| Feb. 9, 1992 | -50 Record low |
| Average since 12/85 | -11 |

Confidence has been very strong for two years, lifted by rising incomes, low inflation, low interest rates and the strong job market. Strong confidence in turn has boosted consumer spending, fueling the economy through its long growth cycle.

Call the ABC News Polling Unit, ext. 2621, for a chart tracking the ABC/Money index over time.

GROUPS - As usual, confidence is higher among better-off Americans: The index is +59 in higher-income households compared to -21 in the lowest; +48 among college graduates but -1 among high-school dropouts; +33 among whites but -4 among blacks; and +35 among men compared to +20 among women.

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

NATIONAL ECONOMY- The poll asks: Would you describe the state of the nation's economy these days as excellent, good, not so good or poor? Seventy-five percent say excellent or good, down three points from last week. The record, 80 percent, was set on Jan. 16, 2000. The worst rating was seven percent in late 1991 and early 1992.

| | Pos. NET | Excel. | Good | Neg. NET | Not good | Poor |
|------------------|----------|--------|------|----------|----------|------|
| This week | 75% | 15 | 60 | 25 | 21 | 4 |
| Avg. since 12/85 | 39 | 3 | 36 | 61 | 40 | 21 |

PERSONAL FINANCES - The poll asks: Would you describe the state of your own personal finances these days as excellent, good, not so good or poor? Sixty-six percent say excellent or good, down two points from last week. The record, 70 percent, was originally set Aug. 30, 1998 and last matched in Jan. 2000. The worst was 42 percent on March 14, 1993.

| | Pos. NET | Excel. | Good | Neg. NET | Not good | Poor |
|------------------|----------|--------|------|----------|----------|------|
| This week | 66% | 6 | 60 | 34 | 23 | 11 |
| Avg. since 12/85 | 56 | 5 | 52 | 44 | 31 | 13 |

BUYING CLIMATE - The poll asks: Considering the cost of things today and your own personal finances, would you say now is an excellent time, a good time, a not so good time or a poor time to buy the things you want and need? Fifty-one percent say excellent or good, down two points from last week. The record, 57 percent, was set on Jan. 16, 2000. The worst rating, 20 percent, was set in Fall 1990.

| | Pos. NET | Excel. | Good | Neg. net | Not good | Poor |
|------------------|----------|--------|------|----------|----------|------|
| This week | 51% | 3 | 48 | 49 | 33 | 16 |
| Avg. since 12/85 | 38 | 3 | 35 | 62 | 41 | 21 |

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. This week's results are based on 1,034 interviews in the month

ending Feb. 13 and have an error margin of plus or minus three percentage points. The wildcard question on personal finances was conducted Feb. 2-13 among 509 respondents; that result has a 4.5-point error margin. Fieldwork 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/politics/PollVault/PollVault.html>

| 02/13/00 | 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 | 28 | 33 | 38 | 25 | 28 | 38 | 22 | 29 |
| State of Economy | 50 | 56 | 60 | 40 | 46 | 60 | 38 | 47 |
| Personal Finances | 32 | 36 | 40 | 32 | 34 | 40 | 28 | 34 |
| Buying Climate | 2 | 6 | 14 | 4 | 4 | 14 | -4 | 5 |
| ----- | | | | | | | | |
| OVERALL INDEX BY DEMOGRAPHIC GROUPS | | | | | | | | |
| Sex: | | | | | | | | |
| Men | 35 | 42 | 45 | 34 | 35 | 45 | 30 | 37 |
| Women | 20 | 22 | 30 | 16 | 20 | 30 | 11 | 20 |
| Age: | | | | | | | | |
| 18 - 34 | 21 | 27 | 37 | 17 | 29 | 37 | 16 | 26 |
| 35 - 44 | 28 | 33 | 35 | 23 | 27 | 40 | 13 | 30 |
| 45 - 54 | 14 | 25 | 45 | 33 | 13 | 45 | 13 | 29 |
| 55 - 64 | 37 | 40 | 40 | 28 | 47 | 48 | 13 | 29 |
| 65 + | 44 | 41 | 29 | 25 | 24 | 44 | 17 | 28 |
| Income: | | | | | | | | |
| Under \$15K | -21 | -22 | -19 | -27 | -21 | -11 | -42 | -24 |
| \$15K To \$24.9K | -1 | 9 | 22 | 12 | 2 | 26 | -15 | 2 |
| \$25K To \$39.9K | 17 | 19 | 30 | 20 | 18 | 38 | 8 | 24 |
| \$40K To \$49.9K | 41 | 46 | 54 | 35 | 48 | 56 | 27 | 43 |
| Over \$50K | 59 | 63 | 68 | 54 | 62 | 68 | 53 | 60 |
| Region: | | | | | | | | |
| Northeast | 33 | 40 | 47 | 23 | 31 | 48 | 21 | 32 |
| Midwest | 27 | 28 | 40 | 25 | 36 | 41 | 20 | 31 |
| South | 19 | 22 | 26 | 29 | 23 | 31 | 14 | 24 |
| West | 37 | 43 | 42 | 18 | 21 | 43 | 13 | 28 |
| Race: | | | | | | | | |
| White | 33 | 38 | 43 | 28 | 29 | 43 | 26 | 33 |
| Black | -4 | -2 | 3 | 1 | 21 | 21 | -11 | 2 |
| Politics: | | | | | | | | |
| Republican | 49 | 50 | 50 | 41 | 37 | 55 | 32 | 42 |
| Democrat | 28 | 30 | 38 | 30 | 26 | 38 | 15 | 27 |
| Independent | 17 | 22 | 26 | 13 | 25 | 34 | 13 | 23 |

| | | | | | | | | |
|-----------------|----|----|----|-----|-----|----|-----|----|
| Education: | | | | | | | | |
| < High School | -1 | 9 | 1 | -10 | -13 | 9 | -27 | -9 |
| High Sch. Grad. | 11 | 14 | 29 | 15 | 23 | 32 | 11 | 21 |
| College + | 48 | 50 | 53 | 42 | 45 | 53 | 38 | 45 |
| Home: | | | | | | | | |
| Own | 36 | 39 | 44 | 34 | 30 | 44 | 28 | 35 |
| Rent | 7 | 16 | 19 | 5 | 21 | 22 | -3 | 11 |
| Marital Status: | | | | | | | | |
| Single | 25 | 27 | 33 | 23 | 25 | 36 | 8 | 24 |
| Married | 34 | 39 | 44 | 28 | 32 | 44 | 27 | 35 |
| Sep/Wid/Div | 5 | 8 | 13 | 7 | 6 | 18 | -9 | 7 |
| Employ. Status: | | | | | | | | |
| Full-Time | 31 | 39 | 44 | 33 | 36 | 44 | 30 | 36 |
| Part-Time | 20 | 19 | 30 | 29 | 17 | 38 | 7 | 22 |
| Not Employed | 25 | 26 | 28 | 11 | 18 | 28 | 8 | 18 |

241. Thinking of your own personal finances, would you say this is the best time in your life financially, a good time but not the best, a bad time but not the worst, or the worst time in your life financially?

| | Best | Good | Bad | Worst | No opin. |
|---------|------|------|-----|-------|----------|
| 2/13/00 | 18 | 54 | 19 | 9 | 1 |
| 2/1/98 | 14 | 52 | 25 | 7 | 1 |

END