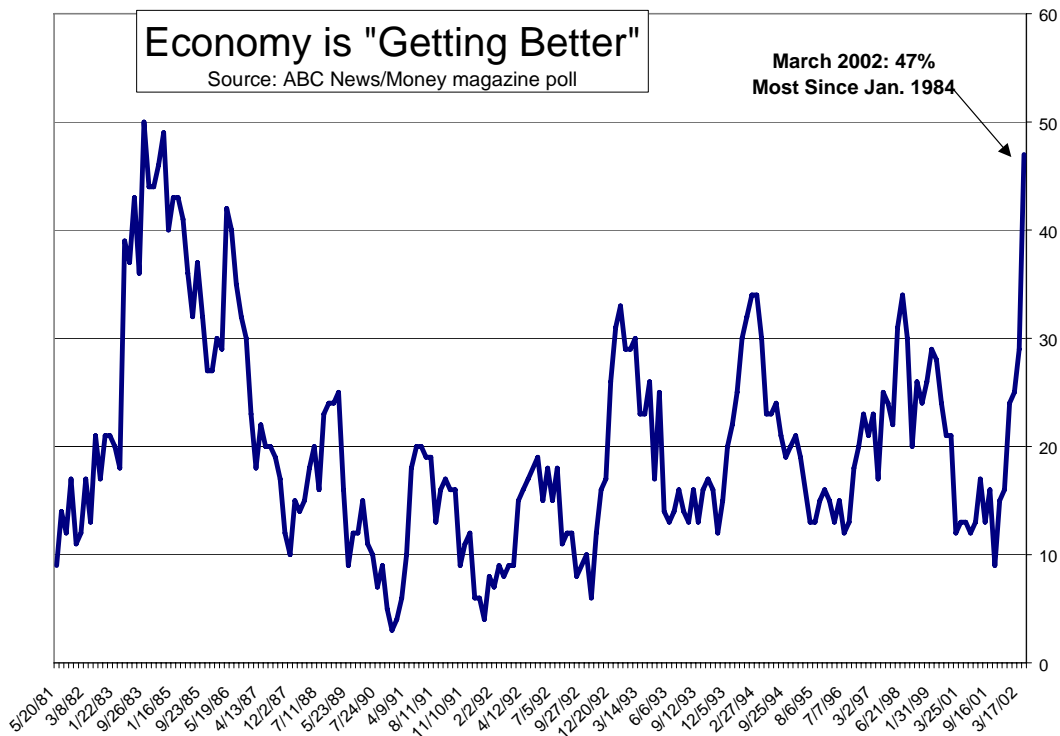


## Optimism Soars, Signaling Recovery

Economic optimism soared in the last month in one of its steepest improvements in 20 years – strongly suggesting an end to the recession.

Forty-seven percent of Americans say the economy is “getting better,” up 18 points since mid-February to its highest level since early 1984. Optimism has climbed this steeply only once before in ABC News/Money magazine polls, in early 1983, marking the end of the 1981-82 recession.

Recovery from the 1990-91 downturn was more gradual, but this “expectations” gauge has a good (albeit lagging) record in marking the end of recessions. Views of current economic conditions, by contrast, seem better attuned to the start of downturns.



The recent growth in optimism has been striking: The number of Americans who say the economy is improving has shot up from a mere nine percent on Sept. 16 – a nine-year low – to today’s 47 percent, an 18-year high.

	Economy is...		
	Getting better	Getting worse	Staying same
3/17/02	47%	20	32
2/17/02	29	27	42
1/20/02	25	36	39
12/9/01	24	37	38
11/11/01	16	48	36
10/14/01	15	46	39
9/16/01	9	44	46

The Federal Reserve's Open Market Committee apparently is looking at similar data: It kept its target for the federal funds rate unchanged Tuesday, reporting that "the economy, bolstered by a marked swing in inventory investment, is expanding at a significant pace." It noted that "final demand... is still uncertain."

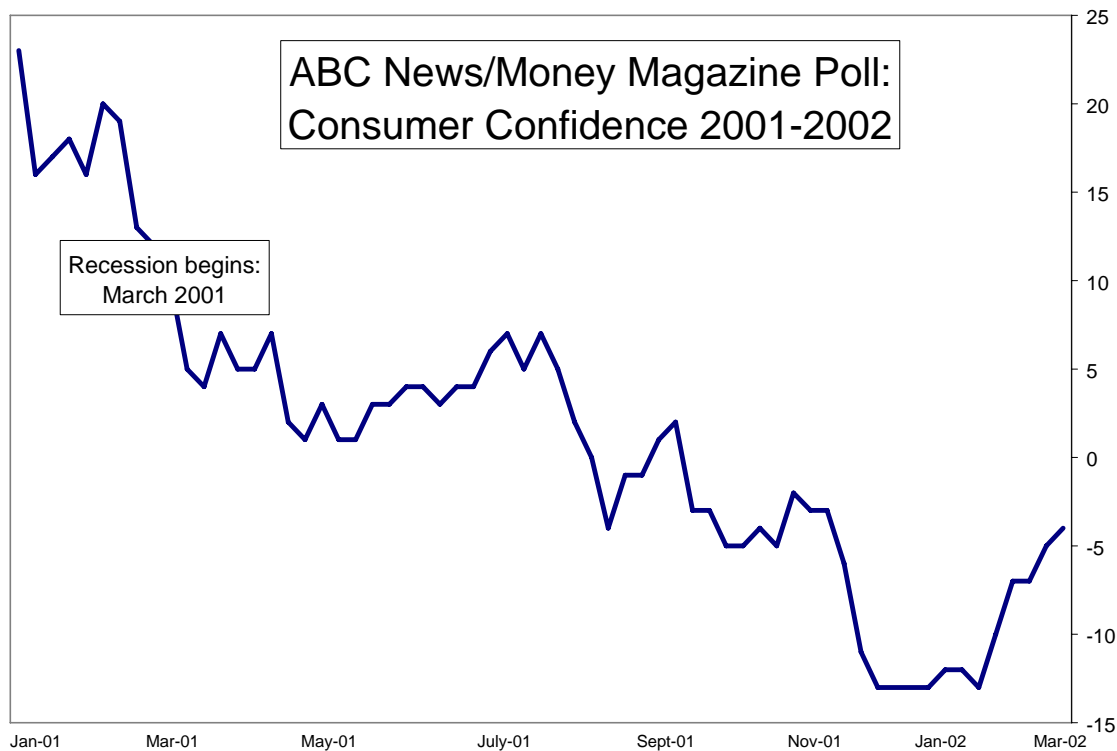
**CURRENT VIEWS** – That's where consumer confidence comes in, and to be sure its recovery is not complete. While expectations have surged, public views of current economic conditions remain somewhat muted, albeit up from their recent lows.

Today 41 percent of Americans rate the national economy positively, its best since early last October but still far below its pre-recession highs in the high 70s. About the same number, 42 percent, call it a good time to buy things they want and need. But more – 61 percent – say their own finances are in good shape, a mainstay of confidence.

The ABC/Money Consumer Comfort Index, based on these gauges of current sentiment, stands at -4 on its scale of +100 to -100. That's its best of the year, and up from a recent low of -13, but again well below its pre-recession levels. It peaked at +38 on Jan. 16, 2000.

	ABC/Money Index	
Today	- 4	
Last week	- 5	
Five weeks ago	-13	
2002 average	-10	
2001 average	+4	
2000 average	+29	Best full year
1992 average	-44	Worst full year
Jan. 16, 2000	+38	Record high
Feb. 9, 1992	-50	Record low
Average since 12/85	-8	

**GROUPS** – As usual, confidence is higher among better-off Americans. The index is +25 in higher-income households compared to -41 in the lowest, +10 among college graduates while -31 among high-school dropouts, +4 among whites but -51 among blacks and +6 among men while -12 among women.



There are similar differences in optimism. Most strikingly, among people with household income under \$25,000 a year, only 26 percent see the economy improving. But among people with incomes over \$40,000, this rises very sharply, to 63 percent. At the same time, optimism is fairly evenly balanced regionally.

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

**NATIONAL ECONOMY** – Forty-one percent of Americans rate the nation's economy as excellent or good, up one point from last week. The best was 80 percent Jan. 16, 2000. The worst was seven percent in late 1991 and early 1992.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	41	2	39	59	48	11
Avg. since 12/85	42	4	38	58	39	19

**PERSONAL FINANCES** – Sixty-one percent rate their own finances as excellent or good, unchanged this week. The best was 70 percent, set Aug. 30, 1998 and last matched in January 2000. The worst rating was 42 percent on March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	61	8	53	39	28	11
Avg. since 12/85	57	5	53	43	30	12

**BUYING CLIMATE** – Forty-two percent say it's an excellent or good time to buy things they want and need, unchanged from last week. The best was 57 percent Jan. 16, 2000. The worst was 20 percent in fall 1990.

	Pos. NET	Excel.	Good	Neg. net	Not good	Poor
This week	42	4	38	58	42	16
Avg. since 12/85	39	3	36	61	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 1,020 interviews in the month ending March 17, 2002 and have an error margin of plus or minus three percentage points. The question on expectations was conducted among 511 respondents March 6-17, 2002; that result has a 4.5-point error margin. Field work 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 Gary Langer.

ABC News polls can be found at ABCNEWS.com on the Internet, at:  
<http://abcnews.go.com/sections/politics/PollVault/PollVault.html>

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03/17/02	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	-4	-5	-10	-6	5	7	-13	-1
State of Economy	-18	-20	-32	-26	4	10	-38	-12
Personal Finances	22	22	22	16	28	32	12	23
Buying Climate	-16	-16	-20	-8	-18	-4	-24	-16
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OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	6	6	1	3	8	13	-6	5
Women	-12	-15	-19	-14	2	6	-21	-7
Age:								
18 - 34	-5	-6	0	6	9	21	-8	5
35 - 44	-1	-12	-16	-15	2	9	-16	-2
45 - 54	-3	4	-12	-12	12	12	-22	-4
55 - 64	3	-3	-10	1	-7	14	-30	-4
65 +	-9	-6	-17	-16	-1	9	-22	-7
Income:								
Under \$15K	-41	-47	-54	-38	-38	-22	-54	-40
\$15K To \$24.9K	-19	-23	-31	-28	-19	-14	-40	-25
\$25K To \$39.9K	-17	-10	-4	-9	1	11	-24	-8
\$40K To \$49.9K	5	11	-2	15	11	21	-14	4
Over \$50K	25	23	10	13	33	39	3	23
Region:								
Northeast	-9	-5	-9	-2	5	9	-17	-4
Midwest	-5	-8	-9	-8	10	13	-15	1
South	-1	1	-5	-9	0	8	-13	-1
West	-2	-11	-17	-2	7	17	-21	-2
Race:								
White	4	2	-5	-2	12	14	-8	3
Black	-51	-43	-43	-41	-36	-8	-51	-30
Politics:								
Republican	17	16	9	13	22	34	5	20
Democrat	-19	-18	-23	-15	-12	2	-29	-12
Independent	-2	-4	-7	-12	4	4	-19	-6
Education:								

< High School	-31	-37	-34	-23	-24	-15	-49	-32
High Sch. Grad.	-11	-3	-4	-10	-4	6	-18	-7
College +	10	5	-5	1	19	26	-5	12
Home:								
Own	4	4	-5	0	8	16	-10	4
Rent	-23	-23	-19	-18	-5	-1	-27	-15
Marital Status:								
Single	-8	-14	-9	-7	1	15	-19	-1
Married	3	3	-1	0	14	17	-7	5
Sep/Wid/Div	-29	-31	-38	-25	-27	-10	-42	-25
Employ. Status:								
Full-Time	6	4	0	3	13	19	-4	8
Part-Time	9	4	-6	-4	4	11	-15	-3
Not Employed	-21	-19	-22	-19	-8	-1	-28	-14

1. Do you think the nation's economy is getting better, getting worse or staying the same?

	Getting Better	Getting Worse	Staying the Same	No Opinion
3/17/02	47	20	32	1
2/17/02	29	27	42	2
1/20/02	25	36	39	1
12/9/01	24	37	38	1
11/11/01	16	48	36	1
10/14/01	15	46	39	0
9/16/01	9	44	46	1
8/12/01	16	46	38	0
7/15/01	13	40	46	0
6/17/01	17	45	38	1
5/20/01	13	47	39	0
4/22/01	12	44	44	0
3/25/01	13	49	37	1
2/11/01	13	45	41	1
1/14/01	12	40	47	1
7/09/00	21	28	50	0
9/12/99	21	23	56	1
5/23/99	24	26	49	1
1/31/99	28	21	50	0
1/03/99	29	21	47	2

Call for full trend.

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