

Americans' Crystal Ball Says "Continued Growth"

As Americans look into their crystal balls, a large majority remains optimistic that the economy – now in its ninth year of expansion – will continue to grow.

Two-thirds in a new ABC News/Money magazine poll expect the expansion to continue for more than a year. That includes a sizable group of optimists, 41 percent, who expect further growth for more than two years – a number that's been on the rise since 1997.

Only 25 percent expect the current expansion to end in the next year.

	How long will the economy grow?			
	<6 mo.	6 mo.-1yr.	1-2 yrs.	>2 yrs.
4/9/99	5	20	26	41
6/7/98	5	20	31	36
6/8/97	4	25	34	32

This sanguine view of the economy's prospects is important, since strong consumer confidence is a critical contributor to economic performance.

GROUPS – Higher-income Americans, who've benefited the most from the economic expansion, are less optimistic about the prospects for long-term growth. Only a third of those with incomes over \$50,000 expect the expansion to continue for more than two years, compared to 45 percent of those making less than \$25,000.

Republicans are also more pessimistic than Democrats and independents, partly because Republicans tend to have higher incomes.

	How long will the economy grow?			
	<6 mo.	6 mo.-1yr.	1-2 yrs.	>2 yrs.
Democrats	2	20	30	43
Independents	5	16	24	50
Republicans	11	29	25	28
Income <25K	5	21	20	45
Income >50K	5	24	32	33

CONFIDENCE – Consumer confidence in current economic conditions held steady this week. Seventy-two percent of Americans say the economy is in good shape, eight points below January's record high but well above its 14-year average. Fifty-one percent say it's a good time to buy things, down six points from its peak in January. Ratings of personal

finances have been more stable; 67 percent say their own finances are in good shape – just three points off the record, and close to where it's been all year.

Positive ratings:	----- Since 12/85 -----			
	Today	Highest	Lowest	Average
National Economy	72%	80	7	39
Personal Finances	67	70	42	56
Buying Climate	51	57	20	38

INDEX - The ABC/Money Consumer Comfort Index, based on these ratings, stands at +27 on its scale of +100 to -100. So far this year the index has averaged +31, three points above its record 1999 average. Its lifetime average is just -11.

	ABC/Money	Index
Today	+27	
Last week	+27	
Jan. 16, 2000	+38	Record High
2000 average	+31	
1999 average	+28	Best full year
1992 average	-44	Worst full year
Feb. 9, 1992	-50	Record low
Average since 12/85	-11	

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 +66 in higher-income households compared to -21 in the lowest; +48 among college graduates but -7 among high-school dropouts; +31 among whites but -3 among blacks; and +35 among men compared to +18 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-two percent say excellent or good, up one point 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	72%	14	58	28	20	8
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-seven percent say excellent or good, down one point 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	67%	6	61	33	21	12

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, the same as 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%	4	47	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 1,045 interviews in the week ending April 9 and have an error margin of plus or minus three percentage points. The wildcard question on economic growth was conducted March 29-April 9 among 522 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>

04/09/00	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	27	27	31	34	31	38	22	28
State of Economy	44	42	54	54	50	60	38	47
Personal Finances	34	36	38	36	36	40	28	34
Buying Climate	2	2	0	12	6	14	-4	4

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	35	32	36	42	37	45	30	36
Women	18	21	25	26	25	30	11	20
Age:								
18 - 34	20	19	26	30	24	37	16	25
35 - 44	32	28	23	34	31	37	13	28
45 - 54	19	22	30	37	30	45	11	28

55 - 64	36	44	40	38	35	48	16	31
65 +	29	31	40	32	37	45	17	29
Income:								
Under \$15K	-21	-22	-14	-23	-16	-12	-42	-25
\$15K To \$24.9K	-10	-9	-1	14	-9	26	-15	1
\$25K To \$39.9K	18	18	29	30	37	37	8	24
\$40K To \$49.9K	48	60	38	54	40	60	27	43
Over \$50K	66	63	62	63	60	68	53	60
Region:								
Northeast	35	28	21	39	31	48	20	31
Midwest	32	30	33	40	41	41	20	30
South	20	23	30	23	24	31	14	24
West	22	27	36	40	29	43	13	28
Race:								
White	31	32	34	41	35	43	26	33
Black	-3	-6	15	0	20	25	-11	2
Politics:								
Republican	38	37	48	53	43	55	32	42
Democrat	31	32	26	34	32	38	15	27
Independent	18	20	24	22	22	29	13	22
Education:								
< High School	-7	-13	-11	-7	-3	9	-27	-9
High Sch. Grad.	13	13	18	32	29	32	8	19
College +	48	50	52	49	44	53	38	46
Home:								
Own	34	33	38	42	39	44	28	35
Rent	8	8	9	11	8	22	-3	9
Marital Status:								
Single	25	23	24	26	28	36	8	24
Married	30	32	37	41	34	44	27	34
Sep/Wid/Div	10	6	8	9	18	18	-9	7
Employ. Status:								
Full-Time	36	34	35	43	32	44	29	36
Part-Time	18	18	26	25	32	38	7	22
Not Employed	14	17	24	22	26	28	8	18

243. The United States is in the ninth year of an economic expansion. For how much longer do you expect the economy to grow-would you say less than six months, six months to a year, between one and two years, or more than two years?

	<6 mo.	6 mo.-1yr.	1-2 yrs.	>2 yrs.	No opin.
4/9/99	5	20	26	41	8
6/7/98*	5	20	31	36	8
6/8/97**	4	25	34	32	5

*"eighth year"

**"seventh year"

END