

SURVEY#: 507      DATE: 2/06/96 TO 9/09/99      #INT: 1 GEN      USA  
ABC NEWS/MONEY CONSUMER INDEX - 4/13/97  
EMBARGOED FOR RELEASE AFTER 6:30 p.m. Tuesday, April 15, 1997

CONFIDENCE TIES  
A 10-YEAR HIGH

Consumer confidence soared this week to tie its best level in more than 10 years, unfazed by Tax Day or the stock market's gyrations. The reason: A record number of Americans say their personal finances are in good shape.

Sixty-three percent rate their finances positively, the most in weekly polls by ABC News and Money magazine since December 1985. More Americans than usual also give positive ratings to the economy and the buying climate.

The ABC/Money Consumer Comfort Index, based on these three gauges, is up to +1 on its scale of +100 to -100, a level it reached Feb. 9 and not previously since August 1986. Its best ever, +8, was in May 1986.

Confidence has been improving steadily the last five weeks; even as the stock market tanked, with major indexes falling by nearly 10 percent, the ABC/Money Index advanced from -8 on March 9 to +1 today.

While the market has recovered ground in the last two days, interviews for this poll were completed Sunday - evidence that Americans are not taking the market's instability into account as they assess their finances. Personal income, rather, seems to be the prime mover in consumer confidence.

INDEX - Confidence has been on a roll, averaging -3 in 1997, its best so far in any year since the index began. (The previous best was -6 at this point in 1986.) The current -1 compares to an average of -11 last year and a dismal -30 in recession-depressed 1990-95; it's even 10 points better than the pre-recession average, -9 from 1986-90.

	ABC/Money Index
Today	+1
March 9	-8
Feb. 9	+1
1997 average	-3
1996 average	-11
1990-95	-30
1986-90	-9
Full average	-20

The current level of consumer confidence reflects the kind of potentially inflationary economic exuberance the Federal Reserve moved to stem by notching up interest rates March 25. That prompted the market's decline.

GAUGES - Unlike ratings of personal finances, public views of the buying climate and the economy are not at record levels - but are strong nonetheless, compared to their usual standing.

This week 41 percent call it a good time to spend money on things they want and need - not a majority, but the most since July and well above the index's lifetime average, 34 percent. Similarly, 47 percent rate the national economy as "excellent or "good" - also better than usual.

All three measures are far above their average from 1990-93, when faith in the economy was at its recession-inspired low point.

Positive ratings for...	Today	1990-93	1986-90
National economy	47	15	41
Buying climate	41	26	39
Personal finances	63	49	57

GROUPS - Confidence customarily lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is +14 among men but -11 among women; +5 among whites but -24 among blacks; +29 in higher-income households but -50 in the lowest; and +12 among people who have attended college but -13 among high school dropouts.

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

NATIONAL ECONOMY- Fifty-three percent rate the economy negatively, unchanged this week. ItUs averaged 52 percent negative this year, compared to 85 percent from 1990-93 and 59 percent from 1986-90. The best, 52 percent positive, was Dec. 1, 1996. The worst, 93 percent negative, was in late 1991 and early 1992. The average for the life of the index is 68 percent negative.

PERSONAL FINANCES - A record 63 percent rate their finances positively, up two points this week. ItUs averaged 59 percent this 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 full average is 54 percent positive.

BUYING CLIMATE - Fifty-nine percent call this a bad time to buy things, down one point this week. ItUs averaged 62 percent this 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	53% neg	63% pos	59% neg
1997 Average	52% neg	59% pos	62% 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 (1986-now)	68% neg	54% pos	66% neg
Worst	93% neg	58% neg	80% neg

Best

52% pos

63% 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 by ICR-International Communications Research of Media, Pa. This week's results are based on 1,032 interviews in the month ending April 13 and have an error margin of plus or minus three 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.

Analysis by Gary Langer.

For details contact the ABC News Polling Unit, (212) 456-2621. ABC polls are available in the ABC News area of America Online.

04/13/97                      This    Last    4 Wks   3 Mo.   1 Yr.   12 Mo   12 Mo   12 Mo  
    Week   Week   Ago   Ago   Ago   High   Low   Avg

Group

GENERAL POPULATION:

Overall Index	1	-1	-5	-7	-11	1	-14	-7
State of Economy	-6	-6	-6	-2	-24	4	-28	-14
Personal Finances	26	22	12	12	14	26	10	16
Buying Climate	-18	-20	-22	-30	-24	-18	-30	-24

OVERALL INDEX BY DEMOGRAPHIC GROUPS

Sex:

Men	14	11	10	7	0	14	-5	4
Women	-11	-13	-19	-19	-20	-5	-25	-17

Age:

18 - 34	5	0	-10	-5	-13	5	-23	-8
35 - 44	-1	-1	0	-2	-7	3	-21	-8
45 - 54	-7	-10	-7	-6	-12	12	-22	-7
55 - 64	-2	1	-4	-17	-9	17	-36	-6
65 +	12	6	0	-9	-11	15	-18	-4

Income:

Under \$15K	-50	-41	-50	-45	-48	-32	-58	-47
\$15K To \$24.9K	-8	-20	-32	-31	-33	-8	-40	-26
\$25K To \$39.9K	3	-2	0	-8	-12	5	-19	-7
\$40K To \$49.9K	2	1	3	8	21	26	-10	7
Over \$50K	29	32	36	32	21	37	12	27

Region:

Northeast	-3	-6	-12	-8	-17	2	-26	-12
Midwest	5	3	0	-7	5	10	-8	1
South	-6	-9	-9	-7	-13	2	-15	-8
West	11	10	4	-4	-19	11	-23	-8

Race:

White	5	1	0	-1	-5	7	-10	-3
Black	-24	-18	-31	-42	-47	-10	-51	-31

Politics:

Republican	13	10	2	4	5	17	-12	4
Democrat	2	-4	-4	-9	-12	10	-19	-6
Independent	-3	-4	-11	-10	-18	-3	-25	-13
Education:								
< High School	-13	-25	-35	-36	-41	-13	-47	-34
High Sch. Grad.	-7	-11	-16	-19	-15	-4	-22	-14
College +	12	14	14	12	4	17	1	8
Home:								
Own	8	5	4	2	-5	10	-7	0
Rent	-18	-19	-27	-25	-27	-11	-36	-24
Marital Status:								
Single	-2	-3	-8	-8	-13	1	-26	-11
Married	7	5	2	-1	-5	10	-9	-1
Sep/Wid/Div	-19	-22	-26	-25	-33	-9	-38	-24
Employ. Status:								
Full-Time	7	6	4	6	0	11	-5	2
Part-Time	-2	-8	-17	-13	-12	5	-29	-15
Not Employed	-7	-10	-13	-21	-24	-5	-29	-16