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ABC NEWS/MONEY CONSUMER INDEX - 4/14/96

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YEAR'S SECOND BIG ADVANCE
LIFTS CONSUMER CONFIDENCE

Consumer confidence surged this week in an unusually powerful advance that lifted it to its best level since September.

The ABC News/Money magazine Consumer Comfort Index rose six points, tying the second-largest one-week gain in its 10-year history. The index also jumped six points in late January; it once gained seven points, in July 1988.

The advance raises the index to -9 on its scale of +100 to -100, tying its pre-recession average for only the third time since January 1990. It touched -9 last Sept. 24 and June 6, only to fall back both times.

INDEX - The ABC/Money index is based on views of the national economy, personal finances and the buying climate; all three improved solidly this week, with ratings of the economy rising to their best since Jan. 21, 1990.

The index averaged -9 in the late 1980s, then plunged to a dismal -39 from 1990-93. It's been off to its slowest start this year since 1992, when it hit its recession-inspired bottom; today's -9 is well ahead of its 1996 average, -16.

	ABC/Money Index
Today	-9
Last week	-15
1996 average	-16
1995	-15
1994	-19
1993	-37
1992	-44
1990-93	-39
1986-90	-9

GAUGES - The biggest gain has been in views of the economy: While 59 percent still rate it negatively, that's its best rating in more than six years, down from an all-time high of 93 percent negative in December 1991. Positive ratings of the economy gained three points this week and two points last week, and are up 10 points from mid-January.

In the other gauges, 61 percent rate the buying climate negatively, also down three points; that's the least since Dec. 24 and down from 68 percent in January. And 57 percent rate their finances positively, up three points.

All three gauges now match their pre-recession average, and are far better than their lows during the last recession and its hangover.

	Today	1990-93	1986-90
Negative on national economy	59	85	59

Negative on buying climate	61	74	61
Positive on personal finances	57	49	57

EXPECTATIONS - Views of the economy may have more to do with a sense it's stabilized than a sense it's improving. Today just 13 percent say the economy is getting better, compared with a recent high of 34 percent in February 1994, when confidence finally began to emerge from its early 90's slump.

Three times as many people - 38 percent - say the economy's getting worse as say it's improving. But a plurality, 48 percent, say it's staying the same. And for many "the same" is better now than it's been in a long while.

MOVEMENT - The ABC/Money poll usually doesn't move as sharply as it did this week because it's based on a four-week rolling average, which tends to smooth out sudden changes. But this week a strongly negative week rolled out and an unusually positive one rolled in.

Tax Day does not look to be a likely cause: The index usually moves as slowly in April as it does in any other month. And while it once rose very sharply (up 12 points in April 1986), it's also fallen sharply in two Aprils (down five points in April 1990 and down six in April 1988).

GROUPS - As usual, confidence still lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is +4 among men but -19 among women; +25 in higher-income households but -50 in the lowest; -4 among whites but -41 among blacks; and +5 among people who have attended college but -39 among high school dropouts.

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

NATIONAL ECONOMY- Fifty-nine percent rate the economy negatively, down three points this week and the least since Jan. 21, 1990. It's averaged 66 percent this year, compared to 85 percent from 1990-93 and 59 percent from 1986-1990. The worst, 93 percent, was in late 1991 and early 1992; the best, 50-50, was April 27, 1986. The average for the life of the index is 69 percent negative.

PERSONAL FINANCES - Fifty-seven percent rate their finances positively, up three points. It's averaged 56 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 best, 62 percent positive Dec. 20, 1987. The full average is 54 percent positive.

BUYING CLIMATE - Sixty-one percent call this a bad time to buy things, down three points this week. It's averaged 65 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	59% neg	57% pos	61% neg
1996 Average	66% neg	56% pos	65% 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 (1986-1995)	69% neg	54% pos	66% neg
Worst	93% neg	58% neg	80% neg
Best	50% pos	62% 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 is done by ICR/AUS Consultants of Media, Pa. This week's results are based on 1,044 interviews in the month ending April 14 and have an error margin of plus or minus 3.5 percentage points. The question on expectations was conducted April 3-14 among 525 respondents; that result has a five-point error margin.

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.

ABC polls are available in the ABC News area of America Online.

Analysis by Gary Langer. For details contact the ABC News Polling Unit, (212) 456-2621.

04/14/96	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	-9	-15	-15	-19	-13	-9	-21	-15
State of Economy	-18	-24	-32	-36	-26	-18	-38	-31
Personal Finances	14	8	14	14	14	22	4	13
Buying Climate	-22	-28	-28	-36	-26	-20	-36	-27

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	4	-4	-9	-3	0	4	-13	-3
Women	-19	-25	-22	-33	-25	-19	-33	-26
Age:								
18 - 34	-5	-10	-12	-14	-7	-4	-19	-11
35 - 44	-5	-16	-21	-22	-17	4	-26	-15
45 - 54	-21	-27	-12	-36	-15	-3	-36	-17
55 - 64	-13	-12	-11	-13	-5	-2	-40	-18
65 +	-2	-12	-19	-15	-26	2	-34	-18
Income:								
Under \$15K	-50	-57	-48	-59	-47	-41	-61	-52
\$15K To \$24.9K	-35	-38	-38	-30	-26	-15	-48	-33
\$25K To \$39.9K	-5	-11	-14	-15	-12	-2	-29	-15
\$40K To \$49.9K	11	1	0	-22	-8	11	-31	-3

Over \$50K	25	24	17	18	20	32	12	22
Region:								
Northeast	-15	-17	-17	-24	-22	-13	-34	-22
Midwest	8	-1	-6	-10	-1	11	-21	-6
South	-12	-20	-21	-22	-13	-9	-25	-17
West	-13	-22	-15	-20	-19	0	-23	-14
Race:								
White	-4	-11	-13	-14	-9	-4	-15	-11
Black	-41	-44	-25	-52	-40	-23	-56	-41
Politics:								
Republican	9	0	-7	-4	-1	9	-10	-1
Democrat	-12	-22	-15	-26	-16	-11	-28	-20
Independent	-14	-18	-20	-22	-19	-11	-26	-18
Education:								
< High School	-39	-46	-42	-42	-40	-30	-53	-42
High Sch. Grad.	-10	-21	-25	-29	-22	-10	-30	-23
College +	5	1	1	-3	4	7	-6	2
Home:								
Own	-3	-9	-9	-14	-8	-2	-15	-9
Rent	-22	-29	-29	-31	-29	-19	-38	-30
Marital Status:								
Single	-4	-12	-19	-14	0	3	-19	-10
Married	-3	-10	-8	-15	-11	-3	-18	-10
Sep/Wid/Div	-32	-34	-35	-40	-38	-21	-45	-36
Employ. Status:								
Full-Time	2	-8	-11	-14	-1	3	-14	-6
Part-Time	-19	-17	-11	-8	-25	-4	-35	-19
Not Employed	-17	-24	-23	-31	-26	-17	-35	-27