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ABC NEWS/MONEY CONSUMER INDEX - 4/27/97  
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Strong 1st Quarter GDP should be No Surprise:  
Consumers have been saying it for Months;  
1997 Best Economic Year in over a Decade

Today's government report the U.S. economy had it's strongest first quarter in a decade comes as no surprise to those listening to the public: The ABC/Money Consumer Comfort Index, in its best year since it began a dozen years ago, has been showing just that for months.

Consumers represent about two-thirds of the American economic engine and are showing little or no signs of retreating from their relative enthusiasm for 1997 in the ABC/Money index's latest results.

The index, based on views of personal finances, the economy and the buying climate, stands at -3 on its scale of +100 to -100, down only slightly from +1 two weeks ago, which tied a more than 10-year high. Its current level is noticeably above its average -9 in the second half of the 1980s and far from its dismal -30 from 1990-95.

	ABC/Money Index
Today	-3
1997 average	-3
1996 average	-11
1990-95	-30
1986-90	-9
Full average	-20

The ABC/Money index has shown no significant softening of its relative ebullience in recent weeks or months, unlike the Conference Board's consumer confidence gauge which the business group said Tuesday has showed some signs of negative movement in the last two months.

GAUGES -Two weeks ago 63 percent of Americans rated their own finances positively, the most ever in weekly ABC/Money polls since December 1985. This week it's slipped just a bit to 59 percent, still a healthy majority and two points above its pre-recession average.

Public views of the buying climate and the overall economy are less robust, but 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 - unchanged since from the past two weeks and well above the index's lifetime average of 34 percent. Similarly, for the second week in a row, 46 percent rate the national economy as "excellent " or "good" - compared to a lifetime average of just 32 percent.

The relative strength of all three gauges - especially personal finances - are reflected in today's report that consumers nearly doubled their rate of spending in the first quarter of this year compared to the last quarter of 1996.

All three ABC/Money measures are far above their averages 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	46	15	41
Buying climate	41	26	39
Personal finances	59	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 -17 among women; -1 among whites but -15 among blacks; +27 in higher-income households but -45 in the lowest; and +10 among people who have attended college but -31 among high school dropouts.

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

NATIONAL ECONOMY- Fifty-four percent rate the economy negatively, unchanged this week. It's averaged 52 percent 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 - Fifty-nine percent rate their finances positively, down a point. It's 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, unchanged again this week. It's 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	54% neg	59% 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

TAXES VERSUS BUDGET DEFICIT- A separate question about the relative importance of cutting taxes or balancing the federal budget divided respondents nearly down the middle. Half said that balancing the budget was more important to them than cutting taxes, but nearly as many (45 percent) said cutting taxes was more important.

Finding demographic patterns to help explain the rift was difficult. A clear majority of those who rating their own finances positively favored balancing the budget, while a narrower majority of those negative about their finances favored reducing taxes.

Two-thirds of those 65 and older favored balancing the budget, while a narrower 52 percent majority of those 18 to 34 said cutting taxes was more important to them. And 52 percent of those with children at home favored cutting taxes, but 53 percent of those without kids went for balancing the budget.

Summing up: Groups most likely to be pinched for cash - the poor, young people and parents with kids in the house - lean toward tax cuts; those whose budget less likely to be stretched - the wealthy and retired people - tend to go for balancing the budget.

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 1,023 interviews in the month ending April 27 and have an error margin of plus or minus three percentage points. The question on taxes versus the budget was conducted among 509 respondents April 2-13; that result has a 4.5-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.

Analysis by Jeff Alderman.

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

Here are the full results:

163. What's more important to you: Cutting the federal taxes you pay or balancing the federal budget?

	Cutting Taxes		balancing Budget			No Opinion		
04/27/97	45		50			5		
04/27/97	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	-3	-2	-3	-3	-11	1	-14	-7
State of Economy	-8	-8	-6	-2	-22	4	-28	-13
Personal Finances	18	20	20	18	16	26	10	16
Buying Climate	-18	-18	-22	-24	-26	-18	-30	-24

OVERALL INDEX BY DEMOGRAPHIC GROUPS

Sex:

Men	14	15	11	9	0	15	-5	4
Women	-17	-17	-14	-13	-20	-5	-25	-16
Age:								
18 - 34	2	3	-4	-7	-13	5	-23	-7
35 - 44	2	-2	1	-5	-4	3	-21	-8
45 - 54	-5	-6	-6	3	-9	12	-22	-7
55 - 64	-10	-6	5	-2	-12	17	-36	-6
65 +	-7	-2	2	3	-13	15	-18	-4
Income:								
Under \$15K	-45	-46	-44	-46	-44	-32	-58	-46
\$15K To \$24.9K	-18	-17	-24	-19	-34	-8	-40	-25
\$25K To \$39.9K	-3	-1	1	-2	-12	5	-19	-7
\$40K To \$49.9K	0	1	9	10	9	26	-10	6
Over \$50K	27	25	34	30	25	37	12	27
Region:								
Northeast	-7	-5	-8	-1	-20	2	-26	-12
Midwest	7	2	4	-2	-1	10	-8	1
South	-4	-4	-9	-3	-10	2	-15	-8
West	-7	0	7	-4	-13	11	-23	-7
Race:								
White	-1	1	2	2	-5	7	-10	-2
Black	-15	-19	-23	-37	-36	-10	-48	-30
Politics:								
Republican	14	13	8	11	5	17	-12	4
Democrat	-10	-4	-1	-8	-7	10	-19	-6
Independent	-6	-6	-8	-5	-22	-3	-25	-12
Education:								
< High School	-31	-23	-26	-27	-35	-13	-47	-34
High Sch. Grad.	-5	-7	-15	-16	-18	-4	-22	-14
College +	10	10	15	16	5	17	1	8
Home:								
Own	3	4	7	6	-4	10	-7	0
Rent	-18	-19	-24	-25	-26	-11	-36	-24
Marital Status:								
Single	0	-4	-2	-13	-16	1	-26	-10
Married	2	4	4	5	-4	10	-9	-1
Sep/Wid/Div	-24	-25	-24	-20	-33	-9	-33	-23
Employ. Status:								
Full-Time	6	6	7	5	2	11	-5	2
Part-Time	-3	-5	-16	1	-15	5	-29	-15
Not Employed	-16	-12	-11	-13	-26	-5	-29	-16