

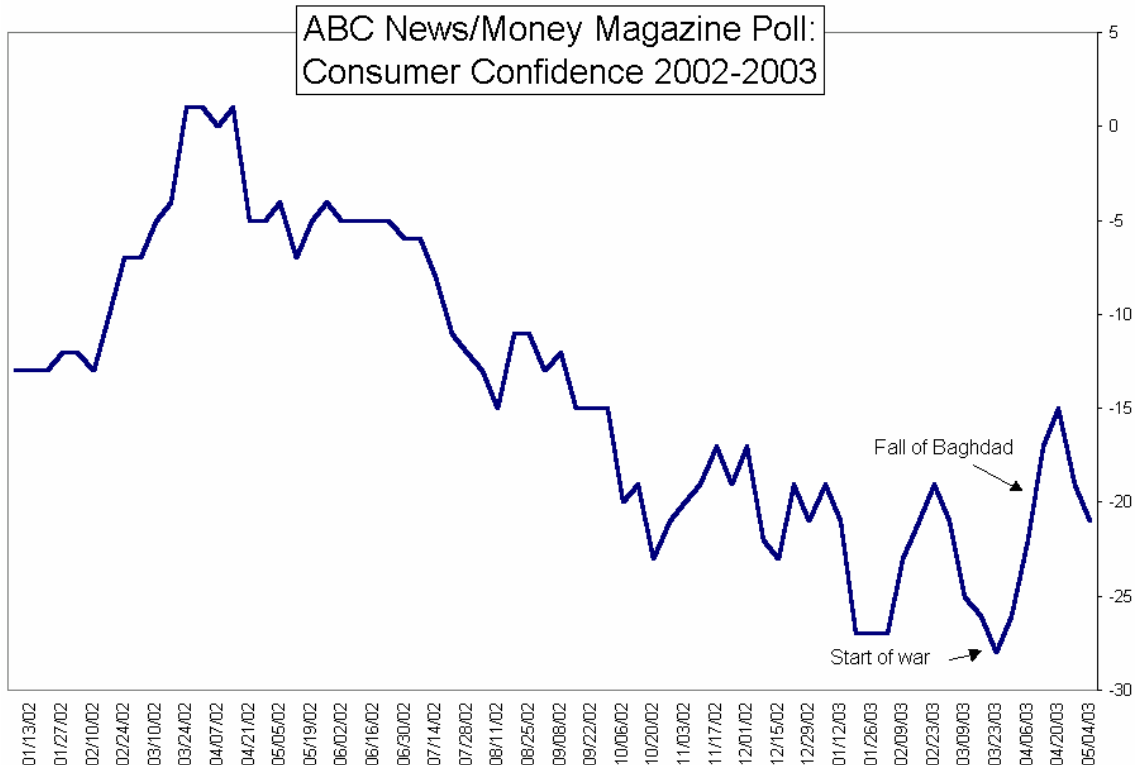
Confidence Shedding its Postwar Gains

Consumer confidence continues to shed some of its postwar gains, inching back this week to its level before the fall of Baghdad.

The ABC News/Money magazine Consumer Comfort Index has lost six points in two weeks – four last week, two this week – after surging by 13 points during the Iraq war. In other words it’s given back nearly half its wartime gains.

The index, figured on a scale of +100 to -100, bottomed out at -28 the week of March 23, a nine-year low, then bounced during the war to -15, a seven-month high, the week of April 20. But it dropped to -19 last week and now to -21.

	ABC/Money Index	Change
5/4/03	-21	-2
4/27/03	-19	-4
4/20/03	-15	+2
4/13/03	-17	+5
4/6/03	-22	+4
3/30/03	-26	+2
3/23/03	-28	



Confidence followed a similar course after the 1991 Persian Gulf war – first surging, then quickly heading back down.

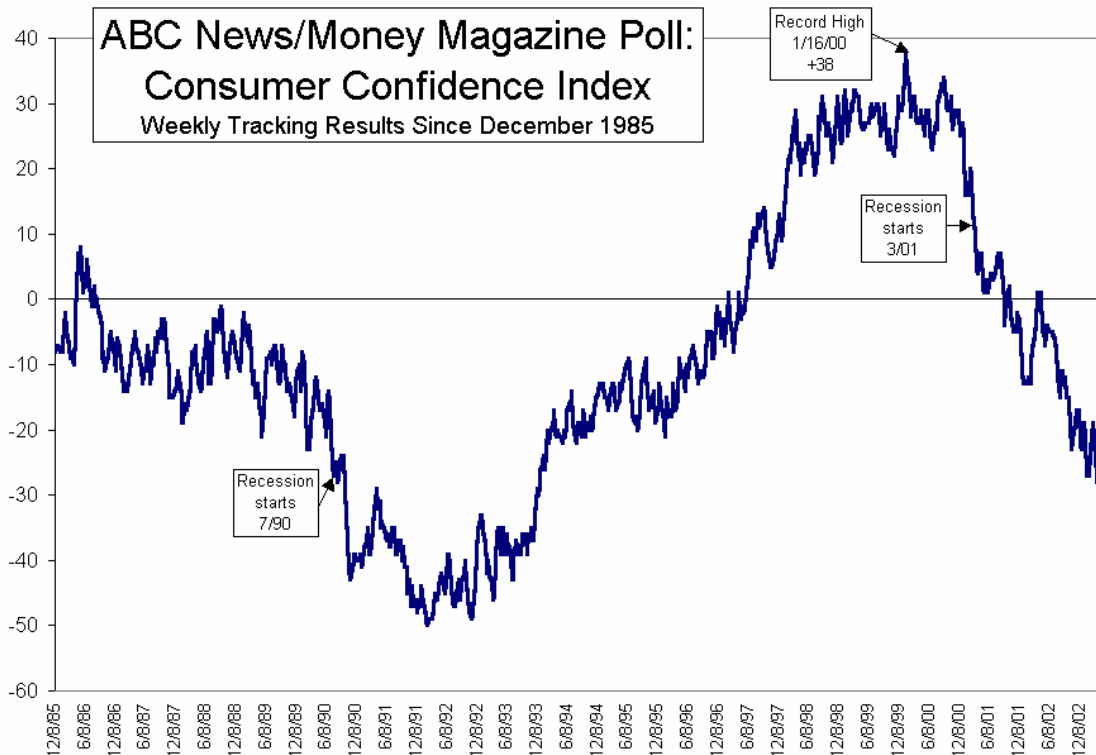
The ABC/Money index is now 12 points below its 17-year average, and down a huge 59 points from its peak, +38, in January 2000. But it's been far worse, reaching -50 in February 1992.

While opting today to leave interest rates unchanged, the Federal Reserve said, “The committee believes that, taken together, the balance of risks to achieving its goals is weighted toward weakness over the foreseeable future.”

INDEX – The ABC/Money index is made up of Americans’ ratings of the economy, personal finances and the buying climate. Fifty-four percent of Americans rate their own finances positively, just three points off its 17-year average and by far the strongest rating in the index. But that’s down six points in the last two weeks, and is the force behind the recently weakening index.

The other measures, while lower, have held steadier. Twenty-nine percent say the national economy’s in good shape (12 points below average), and 36 percent call it a good time to buy things (three points off its average).

	ABC News/Money magazine poll				
Positive ratings of:	This week	Last week	2003 high	2003 low	17-yr. avg.
National economy	29%	29	30	21	41
Buying climate	36	36	37	32	39
Personal finances	54	56	60	52	57
Consumer Comfort Index	-21	-19	-15	-28	-9



TREND – The index has averaged -22 this year, compared to -11 last year, its weakest since 1996. Its best year overall was an average +29 in 2000; its worst, an average -44 in 1992.

	ABC/Money	Index
Today	-21	
Two weeks ago	-15	
Six weeks ago	-28	2003 low
Recent high	+1	March, April 2002
2003 average	-22	To date
2002 average	-11	
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	-9	

GROUPS –As usual, confidence is higher among better-off Americans. The index is +3 among people in higher-income households compared to -52 in the lowest, -7 among college graduates while -37 among high-school dropouts, -14 among whites but -51 among blacks and -15 among men while -25 among women.

The index is a good deal lower in the Northeast (-32) than in other regions. And it peaks among Republicans at +10, compared to -29 among independents and -38 among Democrats.

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

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

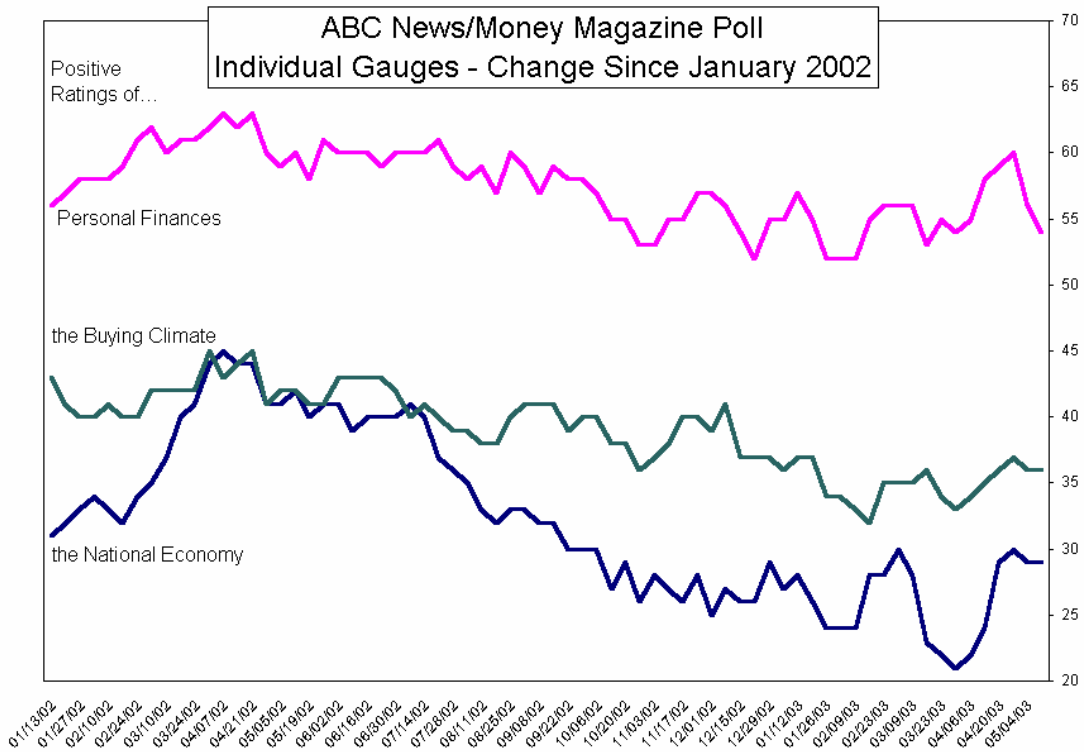
	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	29	1	28	71	49	22
Avg. since 12/85	41	4	37	59	40	19

PERSONAL FINANCES – Fifty-four percent rate their own finances as excellent or good; it was 56 percent last week. The best was 70 percent, set Aug. 30, 1998 and last matched in January 2000. The worst was 42 percent March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	54	5	49	46	33	13
Avg. since 12/85	57	5	53	43	30	12

BUYING CLIMATE - Thirty-six 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	36	3	33	64	44	20
Avg. since 12/85	39	3	36	61	41	20



METHODOLOGY - The ABC News/Money magazine Consumer Comfort Index represents a rolling average based on telephone interviews with a random sample of about 1,000 adults nationwide each month. This week's results are based on 1,000 interviews in the month ending May 4, 2003, and have an error margin of plus or minus three percentage points. 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 Dalia Sussman.

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

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05/04/03

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	-21	-19	-22	-27	-4	-4	-28	-16
State of Economy	-42	-42	-52	-52	-16	-16	-58	-39
Personal Finances	8	12	16	4	20	22	4	13
Buying Climate	-28	-28	-30	-34	-16	-14	-36	-24

OVERALL INDEX BY DEMOGRAPHIC GROUPS

Sex:								
Men	-15	-12	-10	-18	0	7	-18	-9
Women	-25	-25	-32	-35	-8	-8	-38	-23
Age:								
18 - 34	-14	-10	-13	-25	2	8	-25	-9
35 - 44	-16	-21	-20	-23	-5	-1	-31	-15
45 - 54	-32	-28	-32	-31	-8	6	-41	-20
55 - 64	-21	-22	-18	-36	3	3	-39	-19
65 +	-24	-21	-30	-24	-16	-14	-36	-25
Income:								
Under \$15K	-52	-52	-48	-50	-51	-26	-61	-46
\$15K To \$24.9K	-51	-47	-49	-46	-26	-19	-55	-38
\$25K To \$39.9K	-20	-20	-34	-34	-9	-9	-49	-25
\$40K To \$49.9K	-27	-21	-5	-22	12	12	-30	-11
Over \$50K	3	6	5	-8	20	28	-15	6
Region:								
Northeast	-32	-28	-28	-30	-2	-2	-36	-21
Midwest	-20	-16	-19	-24	-1	4	-34	-16
South	-13	-14	-20	-28	-9	4	-29	-17
West	-21	-20	-22	-25	-2	9	-25	-11
Race:								
White	-14	-13	-18	-23	1	2	-23	-13
Black	-51	-48	-44	-51	-35	-21	-60	-39
Politics:								
Republican	10	9	2	0	24	24	-3	9
Democrat	-38	-37	-39	-39	-16	-14	-46	-31
Independent	-29	-26	-19	-34	-10	-5	-38	-20
Education:								
< High School	-37	-40	-38	-45	-30	-18	-59	-38
High Sch. Grad.	-29	-24	-27	-40	-5	-4	-40	-22
College +	-7	-6	-12	-12	6	11	-18	-5
Home:								
Own	-14	-14	-18	-24	4	4	-24	-12
Rent	-35	-30	-32	-34	-26	-9	-40	-26
Marital Status:								
Single	-22	-18	-17	-13	-4	10	-25	-11
Married	-16	-16	-16	-27	-1	2	-27	-13
Sep/Wid/Div	-30	-26	-45	-40	-16	-16	-52	-32
Employ. Status:								
Full-Time	-15	-13	-12	-19	6	7	-20	-8
Part-Time	-26	-19	-40	-39	-6	14	-40	-16
Not Employed	-24	-24	-28	-34	-18	-16	-40	-27

END