

## **Just a Third See Stocks as Safe**

Only about a third of Americans see the stock market as a safe investment, but you can't blame recent market volatility for that verdict: The view has held steady for the past three years, even as the market soared.

Fifty-eight percent of Americans call stocks a "risky" investment, up slightly from 52 percent last year but still much lower than it was back in 1988, a year after the "Black Monday" market crash. Thirty-four percent call the market a safe place to invest.

	Stock market investments	
	Safe	Risky
5/7/00	34%	58
6/6/99	37	52
8/31/97	32	54
9/14/88	16	71

**GROUPS** – Higher income Americans, who tend to be more active investors, are more likely to think the stock market's safe. Among those in \$50,000-plus households, 44 percent think the market's safe; in the lowest income group only 22 percent agree. Even so, most of those with higher incomes, 54 percent, call the market risky.

	Stock market investments	
	Safe	Risky
<\$25K	22%	65
>\$50K	44	54

**CONFIDENCE** – Regardless of views of the market's safety, consumer confidence remains strong by historical standards, albeit down from its record levels earlier this year and its lowest since last November.

Seventy-two percent of Americans say the economy is in good shape, eight points below January's record but well above the 14-year average. Sixty-six percent say their own finances are good and 50 percent say it's a good time to buy things, both also better than average but down from their peaks.

	Today	----- Since 12/85 -----		Average
Positive ratings:		Highest	Lowest	
National Economy	72%	80	7	40
Personal Finances	66	70	42	56
Buying Climate	50	57	20	38

INDEX - The ABC News/Money magazine Consumer Comfort Index, based on these ratings, stands at +25 on its scale of +100 to -100. It's averaged +30 this year, two points above its record 1999 average. Its lifetime average, depressed in the early 1990s, is -11.

	ABC/Money	Index
Today	+25	
Last week	+27	
Jan. 16, 2000	+38	Record High
2000 average	+30	
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 index over time.

GROUPS - As usual, confidence is higher among better-off Americans: The index is +58 in higher-income households compared to -23 in the lowest; +42 among college graduates but -6 among high-school dropouts; +31 among whites but -15 among blacks; and +33 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, down 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%	13	59	28	19	9
Avg. since 12/85	40	3	36	60	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-six percent say excellent or good, unchanged from last week. The record, 70 percent, was set Aug. 30, 1998 and last matched in January. The worst was 42 percent on March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	66%	8	58	34	23	11
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, down two points from last week. The record, 57 percent, was set Jan. 16, 2000. The worst rating, 20 percent, was set in fall 1990.

Pos. NET	Excel.	Good	Neg. net	Not good	Poor
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This week	50%	3	47	50	35	15
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 May 7 and have an error margin of plus or minus three percentage points. The question on the stock market was conducted April 26-May 7 among 520 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>

05/07/00	This Week	Last Week	4 Wks Ago	3 Mo. Ago	1 Yr. Ago	12 Mo High	12 Mo Low	12 Mo Avg
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Group								
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GENERAL POPULATION:								
Overall Index	25	27	27	33	26	38	22	28
State of Economy	44	46	44	56	44	60	38	47
Personal Finances	32	32	34	36	32	40	28	34
Buying Climate	0	4	2	6	2	14	-4	4
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OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	33	34	35	42	33	45	30	36
Women	18	21	18	22	20	30	11	20
Age:								
18 - 34	23	21	20	27	25	37	16	25
35 - 44	22	27	32	33	27	37	13	28
45 - 54	45	42	19	25	26	45	11	29
55 - 64	25	25	36	40	32	48	16	31
65 +	18	28	29	41	22	45	17	29
Income:								
Under \$15K	-23	-23	-21	-22	-28	-12	-42	-25
\$15K To \$24.9K	2	3	-10	9	5	26	-11	2
\$25K To \$39.9K	26	24	18	19	23	33	8	23
\$40K To \$49.9K	26	29	48	46	46	60	26	42
Over \$50K	58	59	66	63	60	68	53	60
Region:								
Northeast	33	35	35	40	31	48	20	31
Midwest	34	36	32	28	29	41	20	31
South	17	20	20	22	24	31	14	24

West	23	21	22	43	23	43	13	28
Race:								
White	31	32	31	38	29	43	26	32
Black	-15	-3	-3	-2	-2	25	-15	1
Politics:								
Republican	35	38	38	50	36	55	32	42
Democrat	28	30	31	30	24	38	15	27
Independent	19	20	18	22	23	29	13	21
Education:								
< High School	-6	-8	-7	9	-6	9	-27	-10
High Sch. Grad.	15	18	13	14	17	32	8	19
College +	42	45	48	50	44	53	38	46
Home:								
Own	31	35	34	39	32	44	28	35
Rent	9	6	8	16	13	22	-3	10
Marital Status:								
Single	24	28	25	27	18	36	8	24
Married	30	32	30	39	35	44	27	34
Sep/Wid/Div	9	10	10	8	5	17	-9	8
Employ. Status:								
Full-Time	32	34	36	39	34	44	29	36
Part-Time	26	28	18	19	25	38	7	22
Not Employed	16	18	14	26	13	28	8	18

244. Overall, do you think the stock market is a safe investment, or a risky one?

	Safe	Risky	No opin.
5/7/00	34	58	8
6/6/99	37	52	9
8/31/97	32	54	14
9/14/88	16	71	12

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