

SURVEY#: 507 DATE: 2/06/96 TO 9/09/99 #INT: 1 GEN USA
ABC NEWS/MONEY CONSUMER INDEX - 5/12/96

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CONFIDENCE RETREATS FURTHER
AMID WORSENING EXPECTATIONS

Consumer confidence retreated further from its post-recession high this week as expectations for the economy's future worsened, the latest ABC News/Money magazine poll has found.

Forty-five percent of Americans now believe the economy is getting worse, up from 38 percent last month and the most since November 1992. Only a third as many, 15 percent, think the economy is improving.

Expectations are nowhere near as bad as they were early in the 1990-91 recession, when a record 77 percent said the economy was getting worse. But gone too is the post-election optimism of January 1993, when just 17 percent said the economy was worsening. Here's some selected trend:

	Nation's economy is..		
	Getting Better	Getting Worse	Staying the Same
5/12/96	15	45	40
4/14/96	13	38	48
1/3/93	33	17	48
11/8/92	16	47	37
10/14/90	3	77	19

INDEX - Separately, the ABC/Money Consumer Comfort Index - which measures views of current conditions, rather than expectations - lost two points this week to -13 on its scale of +100 to -100. The index touched its pre-recession average, -9, briefly last month, but has quickly fallen back.

The index asks respondents to rate the economy, the buying climate and their personal finances. It averaged -9 in the late 1980s, then plunged to a dismal -39 from 1990-93. It improved in 1993, '94 and '95, but this year has been flat overall.

	ABC/Money Index
Today	-13
Last week	-11
1996 average	-15
1995	-15
1994	-19
1993	-37
1992	-44
1990-93	-39
1986-90	-9

INDICES - Sixty-two percent of Americans now say the economy is in bad shape - a majority, but well under the 1990-93 average, 85 percent negative. Sixty-four percent call it a bad time to buy things, and - in the one positive measure - 57

percent say their own finances are in good shape.

	Today	1990-93	1986-90
Negative on national economy	62	85	59
Negative on buying climate	64	74	61
Positive on personal finances	57	49	57

GROUPS - As usual, confidence lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is -2 among men but -22 among women; +24 in higher-income households but -43 in the lowest; -9 among whites but -32 among blacks; and +4 among people who have attended college but -36 among high school dropouts.

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

NATIONAL ECONOMY- Sixty-two percent rate the economy negatively, up one point this week. It's averaged 65 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, down one point. It's averaged 57 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-four percent call this a bad time to buy things, up a point this week. It's averaged 64 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	62% neg	57% pos	64% neg
1996 Average	65% neg	57% pos	64% 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 1,032 interviews in the month ending May 12 and have an error margin of plus or minus 3.5 percentage points. The question on expectations was conducted among 514 respondents May 1-12; 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.

05/12/96	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

GENERAL POPULATION:

Overall Index	-13	-11	-9	-18	-11	-9	-21	-15
State of Economy	-24	-22	-18	-36	-30	-18	-38	-31
Personal Finances	14	16	14	12	22	22	4	13
Buying Climate	-28	-26	-22	-30	-24	-20	-36	-27

OVERALL INDEX BY DEMOGRAPHIC GROUPS

Sex:

Men	-2	0	4	-7	1	4	-13	-3
Women	-22	-20	-19	-27	-22	-19	-33	-25

Age:

18 - 34	-12	-13	-5	-15	-12	-4	-19	-11
35 - 44	-10	-4	-5	-21	-10	4	-26	-14
45 - 54	-13	-9	-21	-8	-19	-3	-36	-16
55 - 64	-9	-12	-13	-38	-13	-2	-40	-18
65 +	-18	-13	-2	-12	2	2	-34	-18

Income:

Under \$15K	-43	-44	-50	-50	-51	-41	-61	-52
\$15K To \$24.9K	-36	-34	-35	-31	-18	-15	-48	-34
\$25K To \$39.9K	-13	-12	-5	-24	-11	-2	-29	-15
\$40K To \$49.9K	-2	9	11	-8	-2	21	-31	-2
Over \$50K	24	25	25	19	24	32	12	22

Region:

Northeast	-19	-20	-15	-34	-23	-13	-34	-22
Midwest	-8	-1	8	-14	-4	11	-21	-6
South	-9	-10	-12	-16	-9	-9	-25	-17
West	-17	-13	-13	-8	-10	0	-23	-14

Race:

White	-9	-5	-4	-13	-6	-4	-15	-10
Black	-32	-36	-41	-46	-38	-23	-56	-41

Politics:

Republican	1	5	9	0	5	9	-10	-1
Democrat	-11	-7	-12	-25	-16	-7	-28	-20
Independent	-20	-22	-14	-19	-13	-11	-26	-18

Education:

< High School	-36	-35	-39	-47	-32	-32	-53	-43
High Sch. Grad.	-21	-18	-10	-22	-20	-10	-30	-23
College +	4	5	5	-3	4	7	-6	2
Home:								
Own	-4	-4	-3	-11	-2	-2	-15	-9
Rent	-30	-26	-22	-32	-34	-19	-38	-30
Marital Status:								
Single	-16	-16	-4	-12	-12	-1	-19	-11
Married	-7	-4	-3	-10	-7	-3	-18	-10
Sep/Wid/Div	-31	-33	-32	-43	-26	-21	-45	-37
Employ. Status:								
Full-Time	-1	2	2	-7	-4	3	-14	-6
Part-Time	-11	-15	-19	-35	-17	-4	-35	-18
Not Employed	-28	-26	-17	-33	-18	-17	-35	-27