

## **Confidence Remains Stable, But Off its January Peak**

Consumer confidence held steady in advance of the Federal Reserve's interest rate hike this week, but its forward momentum clearly has ebbed. While still far better than usual, confidence has lost ground each month since it reached a 14-year high in January.

Seventy-three percent of Americans now say the economy is in good shape, seven points below January's record, but well above average. Sixty-seven percent rate their finances positively, just three points below the record. Forty-nine percent say it's a good time to buy things, eight points below the January peak.

	Today	----- Since 12/85 ----		Average
Positive ratings:		Highest	Lowest	
National Economy	73%	80	7	40
Personal Finances	67	70	42	56
Buying Climate	49	57	20	38

Although its rise has halted lately, confidence still has been soaring for two years, boosted by growing incomes, low inflation, low interest rates and the strongest job market in 30 years. Yesterday the Fed raised rates a half point to keep the economy from overheating and sparking inflation. Interviews for this week's survey were completed Sunday, before the Fed's announcement.

INDEX - The ABC News/Money magazine Consumer Comfort Index, based on ratings of the buying climate, personal finances and the national economy, stands at +26 on its scale of +100 to -100. Confidence peaked in January at +34.

Consumer Comfort Index			
January	February	March	April
+34	+30	+29	+27

Confidence has averaged +30 this year, two points above its record 1999 average. Its lifetime average, depressed by recession in the early 1990s, is -11.

	ABC/Money Index	
Today	+26	
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 +57 in higher-income households compared to -25 in the lowest; +45 among college graduates but -9 among high-school dropouts; +33 among whites but -10 among blacks; and +35 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-three percent say excellent or good, up 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	73%	13	60	27	18	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-seven percent say excellent or good, up one point 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	67%	8	59	33	23	10
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? Forty-nine percent say excellent or good, down one point 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
This week	49%	4	45	51	36	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 1,038 interviews in the week ending May 14 and have an error margin of plus or minus three percentage points. 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 Daniel Merkle.

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

05/14/00	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	-----							
GENERAL POPULATION:								
Overall Index	26	25	29	28	27	38	22	28
State of Economy	46	44	48	50	42	60	38	47
Personal Finances	34	32	36	32	34	40	28	34
Buying Climate	-2	0	2	2	4	14	-4	4
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OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	35	33	36	35	33	45	30	36
Women	18	18	20	20	20	30	11	20
Age:								
18 - 34	27	23	23	21	24	37	16	25
35 - 44	22	22	33	28	29	37	13	28
45 - 54	38	45	27	14	27	45	11	29
55 - 64	27	25	30	37	30	48	16	30
65 +	14	18	33	44	26	45	14	29
Income:								
Under \$15K	-25	-23	-19	-21	-25	-12	-42	-25
\$15K To \$24.9K	6	2	-8	-1	5	26	-11	2
\$25K To \$39.9K	27	26	18	17	20	33	8	23
\$40K To \$49.9K	29	26	41	41	48	60	26	42
Over \$50K	57	58	66	59	59	68	53	60
Region:								
Northeast	36	33	34	33	28	48	20	31
Midwest	32	34	40	27	31	41	20	31
South	20	17	20	19	27	31	14	23
West	20	23	22	37	18	43	13	28
Race:								
White	33	31	32	33	29	43	26	32
Black	-10	-15	5	-4	1	25	-15	1
Politics:								
Republican	40	35	38	49	38	55	32	42
Democrat	24	28	36	28	24	38	15	27
Independent	25	19	18	17	19	29	13	21
Education:								
< High School	-9	-6	-7	-1	1	9	-27	-10
High Sch. Grad.	15	15	16	11	14	32	8	19
College +	45	42	48	48	43	53	38	46
Home:								
Own	32	31	36	36	32	44	28	35
Rent	9	9	9	7	13	22	-3	9
Marital Status:								
Single	25	24	23	25	19	36	8	24
Married	32	30	32	34	32	44	27	34
Sep/Wid/Div	2	9	16	5	12	17	-9	8
Employ. Status:								
Full-Time	32	32	39	31	36	44	29	36
Part-Time	29	26	21	20	21	38	7	22
Not Employed	17	16	14	25	12	28	8	18

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