

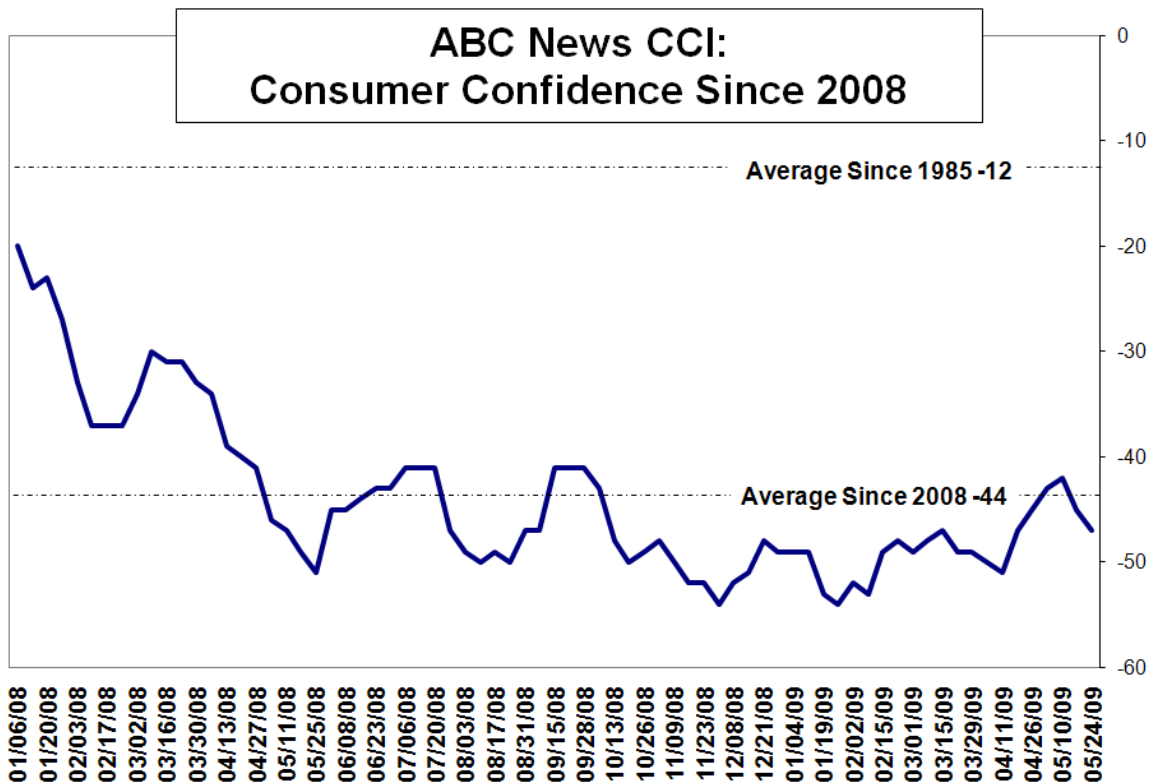
## **Sagging Personal Finances Halt a Gain in Confidence**

Sagging ratings of personal finances have halted a mild positive move for consumer confidence, pushing ratings of current economic conditions back to their mid-April level – and not far from their all-time low in 23 years of weekly polling.

The ABC News Consumer Comfort Index stands at -47 on its scale of +100 to -100, down 5 points in two weeks after reaching its 2009 high, -42 on May 10. Current ratings are near their 2009 average, -49, and close to their lowest, -54 on Jan. 25.

Negative views of current economic conditions stand in contrast to expectations for the future, which have improved sharply in this and other surveys of consumer sentiment. In our report last week, as many Americans said the economy's improving as said it's worsening (a third apiece), the first time in five years economic optimists have equaled pessimists. Pessimism is down 49 points from its record high last October.

ABC keeps separate its measures of views of current conditions (weekly) and expectations for the future (monthly), since they sometimes, as now, diverge.

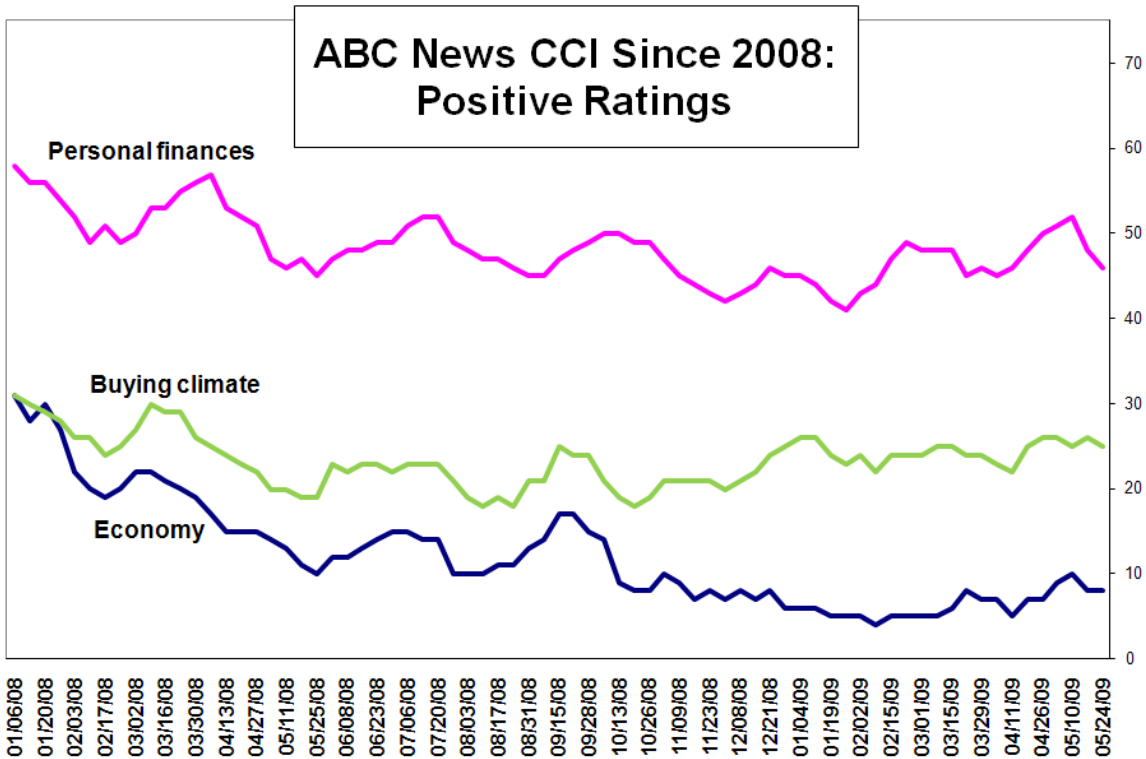


The slide in current sentiment stems chiefly from softer ratings of personal finances, which gained 7 points from April through mid-May to the year's best, but have fallen back by nearly as much in the last two weeks. The two other elements of the CCI – rating the national economy and the buying climate – have held steadier.

Other economic measures inform these views. The latest Case-Shiller Home Price Index finds a record 19-percent decline the past year. Gasoline prices - which tend to correlate inversely with consumer confidence when they rise - are their highest since October. And unemployment's at a 25-year high.

INDEX – Positive ratings of personal finances, usually the strongest of the CCI's three measures, have slipped to 46 percent, down 6 points from their 2009 high of 52 percent two weeks ago. The current measure is 11 points below the long-term average.

Twenty-five percent say it's a good time to buy things, essentially unchanged the last six weeks, 12 points below the long-term average and just 7 points above the record low in October and August. And only 8 percent rate the economy positively, in single digits for 31 of the last 33 weeks and 30 points below the long-term average.

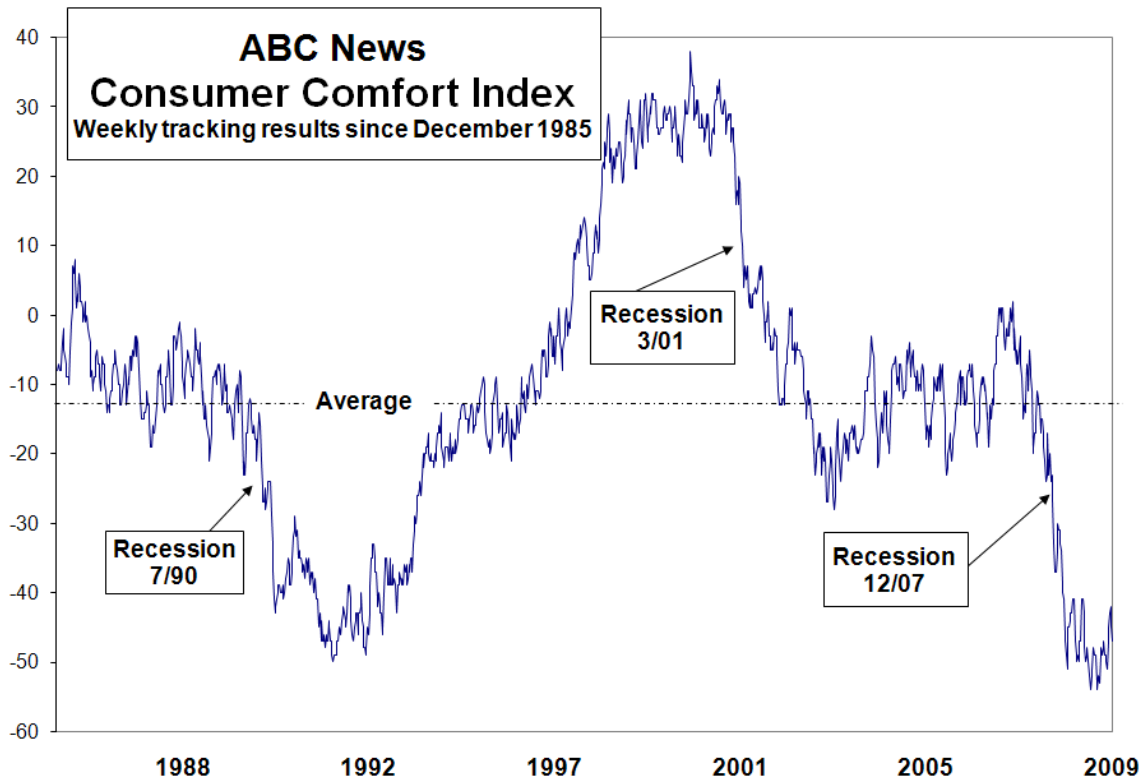


| ABC News CCI         |           |           |          |         |
|----------------------|-----------|-----------|----------|---------|
| Positive ratings of: | This week |           | Averages |         |
|                      | This week | Last week | 2009     | '85-'09 |
| National economy     | 8%        | 8         | 6        | 38      |
| Buying climate       | 25        | 26        | 24       | 37      |

|                        |     |     |     |     |
|------------------------|-----|-----|-----|-----|
| Personal finances      | 46  | 48  | 46  | 57  |
| Consumer Comfort Index | -47 | -45 | -49 | -12 |

**TREND** – The 5-point decline in confidence the past two weeks matches one from January – then, to a record low of -54 – for the sharpest such drop this year. This wipes out a recent positive run of -45 or better for four weeks, the best stretch since October, albeit hardly good.

Indeed the CCI has been below -40 for a record 57 weeks and hasn't seen positive territory since March 2007. Its 2009 average of -49 is vastly below the long-term average, -12, much less the best yearlong average, +29 in 2000.



|                     | ABC News | CCI                 |
|---------------------|----------|---------------------|
| This week           | -47      |                     |
| Last week           | -45      |                     |
| 2009 high           | -42      | May 10              |
| 2009 low            | -54      | Jan. 25, record low |
| 2009 average        | -49      |                     |
| 2000 average        | +29      | Best full year      |
| 1992 average        | -44      | Worst full year     |
| Jan. 16, 2000       | +38      | Record high         |
| Average since 12/85 | -12      |                     |

**GROUPS** – As usual, the CCI is higher among better-off Americans, but negative across groups for the 13<sup>th</sup> straight week.

It's -15 among those with the highest incomes but -77 among those with the lowest (matching the worst since March), -38 among those who've attended college vs. -54 among high school dropouts (the best since March), -37 among men while -57 among women (matching the worst since February), -46 among homeowners compared with -50 among renters and -45 among whites vs. -59 among blacks.

Partisan differences remain, but are narrower than usual. This week the index is -34 among Republicans vs. -56 among Democrats and -47 among independents. That 22-point Republican-Democratic gap is half what it was on average last year and 11 points smaller than the average difference in polling since 1990.

Here's a closer look at the three components of the ABC News CCI:

**NATIONAL ECONOMY** – Eight percent of Americans rate the economy as excellent or good, the same as last week. The highest was 80 percent Jan. 16, 2000. The worst was 4 percent Feb. 8.

|                  | Pos. NET | Excel. | Good | Neg. NET | Not good | Poor |
|------------------|----------|--------|------|----------|----------|------|
| This week        | 8        | 1      | 7    | 92       | 45       | 47   |
| Avg. since 12/85 | 38       | 3      | 35   | 62       | 40       | 22   |

**PERSONAL FINANCES** – Forty-six percent say their own finances are excellent or good; it was 48 percent last week. The best was 70 percent, last reached in January 2000. The worst was 41 percent Jan. 25.

|                  | Pos. NET | Excel. | Good | Neg. NET | Not good | Poor |
|------------------|----------|--------|------|----------|----------|------|
| This week        | 46       | 6      | 40   | 54       | 37       | 17   |
| Avg. since 12/85 | 57       | 5      | 52   | 43       | 30       | 13   |

**BUYING CLIMATE** – Twenty-five percent say it's an excellent or good time to buy things; it was 26 percent last week. The best was 57 percent on Jan. 16, 2000. The worst was 18 percent Oct. 19, Aug. 10 and Aug. 24, 2008.

|                  | Pos. NET | Excel. | Good | Neg. NET | Not good | Poor |
|------------------|----------|--------|------|----------|----------|------|
| This week        | 25       | 3      | 22   | 75       | 44       | 31   |
| Avg. since 12/85 | 37       | 3      | 35   | 63       | 41       | 21   |

**METHODOLOGY** – Interviews for the ABC News Consumer Comfort Index are reported in a four-week rolling average. This week's results are based on telephone interviews among a random national sample of 1,000 adults in the four weeks ending May 24, 2009. The results have a 3-point error margin. Field work by ICR-International Communications Research of Media, Pa.

The index is derived by subtracting the negative response to each index question from the positive response to that question. The three resulting numbers are 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 Patrick Moynihan.

ABC News polls can be found online at <http://abcnews.com/pollingunit>.

Media contact: Cathie Levine, (212) 456-4934.

| 05/24/09                            | 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                       | -47       | -45       | -45       | -48       | -51       | -41        | -54       | -48       |
| State of Economy                    | -84       | -84       | -86       | -90       | -80       | -66        | -92       | -82       |
| Personal Finances                   | -8        | -4        | 0         | -2        | -10       | 4          | -18       | -6        |
| Buying Climate                      | -50       | -48       | -48       | -52       | -62       | -48        | -64       | -55       |
| -----                               |           |           |           |           |           |            |           |           |
| OVERALL INDEX BY DEMOGRAPHIC GROUPS |           |           |           |           |           |            |           |           |
| Sex:                                |           |           |           |           |           |            |           |           |
| Men                                 | -37       | -33       | -38       | -43       | -46       | -28        | -49       | -42       |
| Women                               | -57       | -57       | -50       | -53       | -53       | -39        | -59       | -52       |
| Age:                                |           |           |           |           |           |            |           |           |
| 18 - 34                             | -39       | -35       | -33       | -48       | -52       | -32        | -60       | -46       |
| 35 - 44                             | -51       | -51       | -48       | -40       | -48       | -27        | -62       | -46       |
| 45 - 54                             | -52       | -51       | -46       | -46       | -52       | -31        | -61       | -49       |
| 55 - 64                             | -63       | -56       | -46       | -53       | -48       | -40        | -64       | -51       |
| 65+                                 | -40       | -42       | -56       | -53       | -49       | -31        | -56       | -46       |
| Income:                             |           |           |           |           |           |            |           |           |
| Under \$15K                         | -77       | -77       | -68       | -70       | -87       | -51        | -87       | -74       |
| \$15K To \$24.9K                    | -49       | -51       | -65       | -74       | -68       | -41        | -83       | -67       |
| \$25K To \$39.9K                    | -58       | -56       | -68       | -59       | -59       | -47        | -71       | -60       |
| \$40K To \$49.9K                    | -66       | -68       | -36       | -60       | -53       | -16        | -68       | -48       |
| Over \$50K                          | -31       | -24       | -22       | -26       | -34       | -17        | -41       | -28       |
| \$50K To \$74.9K                    | -41       | -30       | -33       | -46       | -52       | -24        | -54       | -40       |
| \$75K To \$99.9K                    | -37       | -28       | -14       | -30       | -35       | -14        | -52       | -31       |
| Over \$100K                         | -15       | -14       | -15       | 1         | -18       | 5          | -34       | -13       |
| Region:                             |           |           |           |           |           |            |           |           |
| Northeast                           | -56       | -58       | -48       | -59       | -61       | -42        | -62       | -53       |
| Midwest                             | -45       | -47       | -54       | -46       | -43       | -31        | -58       | -47       |
| South                               | -49       | -46       | -39       | -48       | -46       | -39        | -59       | -48       |
| West                                | -38       | -33       | -38       | -42       | -54       | -19        | -56       | -41       |
| Race:                               |           |           |           |           |           |            |           |           |
| White                               | -45       | -41       | -45       | -47       | -47       | -35        | -50       | -44       |
| Black                               | -59       | -60       | -46       | -57       | -74       | -46        | -81       | -63       |
| Politics:                           |           |           |           |           |           |            |           |           |
| Republican                          | -34       | -32       | -41       | -31       | -16       | -10        | -42       | -27       |
| Democrat                            | -56       | -54       | -43       | -59       | -66       | -43        | -70       | -59       |
| Independent                         | -47       | -42       | -44       | -47       | -55       | -39        | -55       | -48       |
| Education:                          |           |           |           |           |           |            |           |           |
| < High School                       | -54       | -55       | -69       | -60       | -59       | -50        | -77       | -64       |
| High Sch. Grad.                     | -61       | -57       | -58       | -56       | -58       | -38        | -62       | -52       |
| College +                           | -38       | -37       | -30       | -41       | -43       | -30        | -50       | -40       |

|                 |     |     |     |     |     |     |     |     |
|-----------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Home:           |     |     |     |     |     |     |     |     |
| Own             | -46 | -43 | -40 | -44 | -43 | -35 | -49 | -42 |
| Rent            | -50 | -51 | -56 | -58 | -67 | -48 | -80 | -62 |
| Marital Status: |     |     |     |     |     |     |     |     |
| Single          | -46 | -49 | -44 | -53 | -52 | -34 | -69 | -51 |
| Married         | -40 | -35 | -38 | -39 | -43 | -26 | -46 | -39 |
| Sep/Wid/Div     | -65 | -64 | -59 | -62 | -65 | -52 | -70 | -63 |
| Employ. Status: |     |     |     |     |     |     |     |     |
| Full-Time       | -37 | -34 | -36 | -36 | -41 | -29 | -47 | -39 |
| Part-Time       | -44 | -40 | -55 | -42 | -56 | -30 | -66 | -48 |
| Not Employed    | -58 | -59 | -49 | -62 | -58 | -47 | -66 | -56 |

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