

Confidence Stays High, Though Below its Peak

Consumer confidence remained below its peak but still vastly above its norm this week, with seven in 10 Americans rating the economy positively and 64 percent saying their own finances are in good shape.

Fewer, 49 percent, call it a good time to spend money. But all these ratings are very high in historical terms, and within sight of the records they set earlier this year in 12 years of weekly polling by ABC News and Money magazine.

	Today	Positive Ratings	
		Record high	12-yr. avg.
National Economy	71%	76	34
Personal Finances	64	68	55
Buying Climate	49	54	36

Call the Polling Unit, x2621, for a chart tracking the progress of consumer confidence over time.

INDEX - The ABC/Money Consumer Comfort Index, based on these gauges, lost one point this week to +23 on its scale of +100 to -100. It reached a record high of +29 on March 22, then lost ground, and has bounced between +19 and +24 since early April.

Its current up-and-down trend follows a remarkable advance in which confidence soared to unheard levels in the first quarter, setting record highs in eight out of 10 weeks. Today it's still far better than usual; compare its current level to the index's lifetime average of -17, or even its previous best year, an average of +5 last year.

	ABC/Money Index	
Today	+23	
March 22	+29	Record high
1998 average (to date)	+22	
1997 average	+5	Best year
1992 average	-44	Worst year
Feb. 9, 1992	-50	Record low
Lifetime average	-17	

Growing personal income, low unemployment and low inflation have been fueling consumer confidence. Other concerns, such as Asia's troubles and the U.S. stock markets' occasional gyrations, have not seemed to dampen the public's mood.

EXPECTATIONS - Expectations for the future, measured separately from the ABC/Money index, also remain strong. Just 22 percent say the economy is "getting worse," among the fewest in ABC polls dating to 1981. And 34 percent say that, as good as it is, the economy continues to get better--the most in more than four years.

GROUPS - Confidence lags in economically vulnerable groups. The index is +37 among men compared to +9 among women, +29 among whites but -8 among blacks, +52 in higher-income households but -40 in the lowest and +43 among people who've attended college but -26 among high school dropouts.

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

NATIONAL ECONOMY- Seventy-one percent of Americans rate the economy positively, unchanged this week. The best was 76 percent Feb. 22; the worst, 93 percent negative in late 1991 and early 1992.

PERSONAL FINANCES - Sixty-four percent rate their finances positively, unchanged. The best was 68 percent March 22; the worst, 58 percent negative March 14, 1993.

BUYING CLIMATE - Forty-nine percent call this a good time to buy things, down two points. The best was 54 percent March 22; the worst was 80 percent negative Nov. 2 and Oct. 28, 1990.

	Positive ratings for...		
	National Economy	Personal Finances	Buying Climate
This week	71%	64	49
Full average	34	55	36
Best	76	68	54
Worst	7	42	20

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 1,031 interviews in the month ending May 24 and have an error margin of plus or minus three percentage points. The question on expectations was conducted among 516 respondents May 13-24; 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.

Analysis by Gary Langer.

For details contact the ABC News Polling Unit, (212) 456-2621. ABC News polls are available on America Online (keyword "ABC Polls") and at ABCnews.com on the Internet.

05/24/98	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	23	24	23	25	1	29	1	14
State of Economy	42	42	36	52	6	52	6	25
Personal Finances	28	28	32	24	16	36	14	24
Buying Climate	-2	2	2	-2	-18	8	-18	-6

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	37	39	35	29	11	39	11	23
Women	9	9	13	20	-8	20	-8	6
Age:								
18 - 34	16	22	19	15	-6	29	-6	10
35 - 44	18	17	24	31	7	37	-4	13
45 - 54	29	25	24	25	5	29	2	15
55 - 64	36	38	25	20	1	38	-5	17
65 +	32	33	29	30	4	35	-2	20
Income:								
Under \$15K	-40	-35	-27	-28	-42	-18	-47	-32
\$15K To \$24.9K	9	13	3	7	-15	14	-34	-8
\$25K To \$39.9K	23	25	22	13	0	25	-6	11
\$40K To \$49.9K	46	40	43	40	-1	54	-4	26
Over \$50K	52	55	56	58	41	63	33	49
Region:								
Northeast	23	19	20	22	4	26	-4	10
Midwest	25	23	34	25	7	34	6	19
South	22	23	24	29	-4	29	-6	14
West	20	28	14	17	0	40	0	13
Race:								
White	29	30	27	32	6	33	6	19
Black	-8	-7	0	-16	-39	4	-42	-17
Politics:								
Republican	39	40	38	30	14	42	14	28
Democrat	22	23	24	25	-1	25	-2	11
Independent	21	21	16	17	-8	30	-9	10
Education:								
< High School	-26	-14	1	-4	-24	1	-38	-17
High Sch. Grad.	18	16	14	17	-10	22	-10	6
College +	43	42	38	39	19	48	19	31
Home:								
Own	28	28	34	32	7	36	7	22
Rent	10	11	0	7	-15	11	-20	-5
Marital Status:								
Single	24	25	19	18	-8	30	-8	8
Married	27	29	31	28	11	36	11	21
Sep/Wid/Div	6	7	1	18	-23	18	-24	-6
Employ. Status:								
Full-Time	32	35	30	31	13	35	10	22
Part-Time	16	13	24	11	-7	27	-7	7
Not Employed	8	10	12	20	-13	25	-13	6