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ABC NEWS/MONEY CONSUMER INDEX - 5/25/97
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Views of the Economy
Their Best in 11 Years

Public ratings of the national economy set a record high in the 11-year-old ABC News/Money magazine survey this week, while overall consumer confidence regained its best level since August 1986.

Fifty-three percent of Americans now rate the economy as "excellent" or "good," the most since this weekly poll started in late 1985. Ratings of personal finances and the buying climate also are better than average.

The ABC/Money Consumer Comfort Index, based on these gauges, is +1 on its scale of +100 to -100, a level it reached in mid-April and early February and not previously since August 1986. Its best ever was +8 in May 1986.

Consumer confidence has been remarkably strong, and fairly stable, all year. The index has averaged -3 since the year began, matching its previous best start, -3 at this point in 1986. It had more flutter in the first five months of 1986, though, ranging from -10 to +8. This year it's ranged from -8 to +1.

The index averaged a dismal -30 from 1990-95, when the recession and subsequent slow-growing income depressed consumer confidence. Its lifetime average is -20.

	ABC/Money Index
Today	+1
1997 average	-3
1996 average	-11
1990-95	-30
1986-90	-9
Full average	-20

RATINGS - The 53 percent who rate the economy "excellent" or "good" compares to an average of just 32 percent in weekly surveys since late 1985. The previous record, 52 percent, was set Dec. 1.

Question phrasing makes this result less positive than it might be otherwise. When the categories are "very good" and "good," as opposed to "excellent" and "good," then 64 percent rate the economy positively, not 53 percent. The key thing, in any case, is to track the result over time.

Ratings of personal finances and the buying climate also are high, though not as far above average. Fifty-eight percent rate their finances positively (the 11-year average is 54 percent) and 41 percent call this a good time to spend money (the average is 35 percent).

	Positive Ratings	
	Today	11-yr avg.
National Economy	53%	32%
Personal Finances	58	54

GROUPS - Confidence customarily lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is +11 among men, but -8 among women; +6 among whites, but -39 among blacks; +41 in higher-income households, but -42 in the lowest; and +19 among people who have attended college, but -24 among high school dropouts.

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

NATIONAL ECONOMY- A record 53 percent rate the economy positively, up two points this week. It's averaged 48 percent this year; the average for the life of the index is 32 percent. The previous best, 52 percent positive, was Dec. 1, 1996. The worst, 93 percent negative, was in late 1991 and early 1992.

PERSONAL FINANCES - Fifty-eight percent rate their finances positively, unchanged. It's averaged 59 percent this year; the average for the life of the index is 54 percent. The best, 63 percent positive, was April 13, 1997. The worst was 58 percent negative March 14, 1993.

BUYING CLIMATE - Fifty-nine percent call this a bad time to buy things, down a point. It's averaged 61 percent this year; the average for the life of the index is 65 percent. The worst was 80 percent negative Nov. 2 and Oct. 28, 1990; the best, 52 percent positive May 11, 1986.

	National Economy	Personal Finances	Buying Climate
This week	53% pos	58% pos	59% neg
1997 Average	52% neg	59% pos	61% 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-now)	68% neg	54% pos	65% neg
Worst	93% neg	58% neg	80% neg
Best	53% pos	63% pos	52% pos

ERRATA - Last week's analysis mistakenly reported that +1 was the index's best; its best was +8 in May 1986.

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 by ICR-International Communications Research of Media, Pa. This week's results are based on 1,035 interviews in the month ending May 25 and have an error margin of plus or minus three percentage points.

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 polls are available in the ABC News area of America Online (keyword "ABC Polls") and on ABC News' new internet site, ABCNEWS.COM.

05/25/97	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	1	-1	-3	-4	-10	1	-13	-6
State of Economy	6	2	-8	-2	-26	6	-28	-11
Personal Finances	16	16	18	16	18	26	10	17
Buying Climate	-18	-20	-18	-26	-22	-18	-30	-23

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	11	8	14	4	3	15	-5	5
Women	-8	-8	-17	-11	-22	-5	-25	-16
Age:								
18 - 34	-6	-5	2	-9	-6	5	-23	-6
35 - 44	7	3	2	3	-13	7	-21	-7
45 - 54	5	2	-5	-10	-9	12	-22	-5
55 - 64	1	-4	-10	9	-18	17	-36	-5
65 +	4	6	-7	-2	-9	15	-12	-3
Income:								
Under \$15K	-42	-36	-45	-48	-57	-32	-58	-46
\$15K To \$24.9K	-15	-19	-18	-15	-17	-8	-40	-24
\$25K To \$39.9K	0	1	-3	-4	-9	5	-19	-6
\$40K To \$49.9K	-1	2	0	7	2	26	-4	7
Over \$50K	41	37	27	34	19	41	12	28
Region:								
Northeast	4	-1	-7	-4	-21	4	-26	-10
Midwest	7	9	7	-3	3	10	-8	2
South	-4	-3	-4	-4	-8	2	-15	-7
West	0	-5	-7	-3	-17	11	-23	-6
Race:								
White	6	4	-1	1	-4	7	-10	-2
Black	-39	-32	-15	-19	-32	-10	-48	-30
Politics:								
Republican	14	10	14	9	7	17	-12	5
Democrat	-1	-2	-10	1	-11	10	-19	-5
Independent	-8	-9	-6	-16	-19	-3	-19	-11
Education:								
< High School	-24	-26	-31	-37	-39	-13	-47	-33
High Sch. Grad.	-10	-6	-5	-9	-14	-4	-22	-13
College +	19	13	10	12	4	19	2	9
Home:								

Own	7	4	3	5	1	10	-7	1
Rent	-15	-14	-18	-24	-36	-11	-36	-22
Marital Status:								
Single	-8	-3	0	-6	-15	3	-26	-9
Married	11	7	2	3	-4	11	-9	0
Sep/Wid/Div	-23	-20	-24	-28	-31	-9	-32	-23
Employ. Status:								
Full-Time	13	8	6	2	1	13	-5	3
Part-Time	-7	-10	-3	-4	-19	5	-29	-15
Not Employed	-13	-9	-16	-13	-23	-5	-23	-15