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ABC NEWS/MONEY CONSUMER INDEX - 5/26/96

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CONFIDENCE REVERSES ITS SLIDE

Consumer confidence, down in early May, reversed its slide this week and took a step forward, the latest ABC News/Money magazine poll has found.

The ABC/Money Consumer Comfort Index gained three points to -11 on its scale of +100 to -100. It had tied a more than five-year high of -9 six weeks ago, but then turned sour and fell to -14 by last week.

The index is based on views of the economy, personal finances and the buying climate. It averaged -9 from 1986 to mid-1990, then plummeted with the start of the recession, averaging -39 through 1993. It recovered solidly in 1994 and a bit more in 1995, but has averaged no better this year than last.

	ABC/Money Index
Today	-11
Last week	-14
April 14 J	-9
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-three percent call it a bad time to buy things, down two points this week. In the one positive measure, 58 percent say their finances are OK.

	Today	1990-93	1986-90
Negative on national economy	62	85	59
Negative on buying climate	63	74	61
Positive on personal finances	58	49	57

GROUPS - As usual, confidence lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is -1 among men but -20 among women; +16 in higher-income households but -53 in the lowest; -7 among whites but -25 among blacks; and +2 among people who have attended college but -40 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, down 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-eight percent rate their finances positively, up 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-three percent call this a bad time to buy things, down two points 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	58% pos	63% 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 1,029 interviews in the month ending May 26 and have an error margin of plus or minus 3.5 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.

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.

05/26/96 This Last 4 Wks 3 Mo. 1 Yr. 12 Mo 12 Mo 12 Mo
 Week Week Ago Ago Ago High Low Avg

Group

GENERAL POPULATION:

Overall Index	-11	-14	-12	-18	-10	-9	-21	-15
State of Economy	-24	-26	-26	-36	-28	-18	-38	-31
Personal Finances	16	14	14	12	20	20	4	13
Buying Climate	-26	-30	-24	-30	-22	-20	-36	-27

OVERALL INDEX BY DEMOGRAPHIC GROUPS

Sex:

Men	-1	-5	0	-2	3	4	-13	-3
Women	-20	-20	-22	-31	-22	-19	-33	-25

Age:

18 - 34	-8	-11	-16	-12	-10	-4	-19	-11
35 - 44	-11	-14	-6	-22	-11	4	-26	-14
45 - 54	-19	-19	-10	-13	-11	-3	-36	-16
55 - 64	-12	-12	-9	-28	-14	-2	-40	-18
65 +	-13	-15	-10	-18	-5	-2	-34	-18

Income:

Under \$15K	-53	-48	-46	-45	-57	-41	-61	-52
\$15K To \$24.9K	-22	-33	-35	-35	-23	-20	-48	-34
\$25K To \$39.9K	-7	-15	-12	-26	-5	-2	-29	-15
\$40K To \$49.9K	-10	-8	19	-3	3	21	-31	-2
Over \$50K	16	21	24	19	23	32	12	22

Region:

Northeast	-24	-26	-18	-28	-17	-13	-34	-22
Midwest	-6	-8	4	-12	-1	11	-21	-6
South	-5	-7	-14	-20	-17	-5	-25	-17
West	-14	-17	-18	-7	-2	0	-23	-14

Race:

White	-7	-10	-4	-14	-6	-4	-15	-10
Black	-25	-27	-51	-39	-36	-23	-56	-41

Politics:

Republican	3	0	5	-5	2	9	-10	-1
Democrat	-10	-10	-13	-25	-17	-7	-28	-20
Independent	-20	-25	-20	-17	-11	-11	-26	-19

Education:

< High School	-40	-42	-37	-45	-37	-35	-53	-43
High Sch. Grad.	-16	-17	-18	-26	-16	-10	-30	-23
College +	2	1	4	-1	3	7	-6	2

Home:

Own	-2	-4	-4	-9	-3	-2	-15	-9
Rent	-32	-34	-30	-37	-29	-19	-38	-30

Marital Status:

Single	-16	-16	-12	-14	-14	-1	-19	-11
Married	-6	-8	-4	-10	-6	-3	-18	-10
Sep/Wid/Div	-30	-31	-38	-41	-24	-24	-45	-37

Employ. Status:

Full-Time	-2	-3	0	-9	-3	3	-14	-5
Part-Time	-13	-12	-15	-17	-14	-4	-35	-18
Not Employed	-25	-29	-24	-27	-19	-17	-35	-27