

SURVEY#: 507 DATE: 2/06/96 TO 9/09/99 #INT: 1 GEN USA
ABC NEWS/MONEY CONSUMER INDEX - 6/1/97
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Confidence Up Again -
Its Best Since June '86

Consumer confidence jumped again this week, rising to its best level since June 1986 and approaching its record in more than 11 years of weekly polls by ABC News and Money magazine.

Faith in the economy remained at its highest level since the survey began in December 1985; views of personal finances rose to within two points of their record and ratings of the buying climate hit their best since October 1987.

The ABC/Money Consumer Comfort Index, based on these gauges, rose to +3 on its scale of +100 to -100, its best since June 22, 1986. That compares to a lifetime index average of -20, falling as low as -50 in 1992.

Confidence clearly is in rarefied territory: In 597 consecutive weeks of polling by ABC News and Money magazine, it's been higher in only six weeks, all in April, May or June 1986. The best was +8 on May 11, 1986.

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

RATINGS - Fifty-three percent of Americans call the economy "excellent" or "good," matching last week's record. For comparison, on average over the life of the index only 32 percent have rated the economy positively.

Sixty percent rate their personal finances positively, up two points this week and now just three points shy of the record, set last April 13.

In the one gauge that remains mostly negative, 58 percent still call this a bad time to spend money on things they want and need - 10 points worse than this gauge's best reading, set on May 11, 1986. Lingering reluctance to spend may help explain the low inflation that's accompanied this recovery.

| | Positive Ratings | |
|-------------------|------------------|------------|
| | Today | 11-yr avg. |
| National Economy | 53% | 32% |
| Personal Finances | 60 | 54 |
| Buying Climate | 42 | 35 |

GROUPS - Confidence customarily lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is +12 among men, but -4 among women; +9 among whites, but -4 among blacks; +44 in

higher-income households. but -38 in the lowest; and +20 among people who have attended college, but -18 among high school dropouts.

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

NATIONAL ECONOMY- Fifty-three percent rate the economy positively, tying the record set last week. It's averaged 49 percent this year; the average for the life of the index is 32 percent. The worst, 93 percent negative, was in late 1991 and early 1992.

PERSONAL FINANCES - Sixty percent rate their finances positively, up two points. 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-eight percent call this a bad time to buy things, down a point and the least since Oct. 4, 1987. 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 | 60% pos | 58% neg |
| 1997 Average | 51% 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 |

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 1,026 interviews in the month ending June 1 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' internet site, ABCNEWS.COM.

| 06/01/97 | 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 | 3 | 1 | -1 | -5 | -12 | 3 | -13 | -6 |
| State of Economy | 6 | 6 | -2 | -4 | -28 | 6 | -28 | -10 |
| Personal Finances | 20 | 16 | 18 | 16 | 16 | 26 | 10 | 17 |
| Buying Climate | -16 | -18 | -18 | -26 | -24 | -16 | -30 | -23 |
| ----- | | | | | | | | |
| OVERALL INDEX BY DEMOGRAPHIC GROUPS | | | | | | | | |
| Sex: | | | | | | | | |
| Men | 12 | 11 | 15 | 5 | 0 | 15 | -5 | 5 |
| Women | -4 | -8 | -15 | -14 | -21 | -4 | -25 | -15 |
| Age: | | | | | | | | |
| 18 - 34 | -3 | -6 | 1 | -9 | -11 | 5 | -23 | -6 |
| 35 - 44 | 9 | 7 | 5 | 1 | -14 | 9 | -21 | -6 |
| 45 - 54 | 6 | 5 | 2 | -12 | -14 | 12 | -22 | -5 |
| 55 - 64 | 3 | 1 | -6 | -2 | -12 | 17 | -36 | -5 |
| 65 + | 10 | 4 | -10 | 3 | -5 | 15 | -12 | -2 |
| Income: | | | | | | | | |
| Under \$15K | -38 | -42 | -44 | -51 | -58 | -32 | -58 | -46 |
| \$15K To \$24.9K | -19 | -15 | -20 | -18 | -12 | -8 | -40 | -24 |
| \$25K To \$39.9K | 4 | 0 | 3 | -5 | -14 | 5 | -19 | -6 |
| \$40K To \$49.9K | -3 | -1 | 15 | 0 | 0 | 26 | -4 | 7 |
| Over \$50K | 44 | 41 | 31 | 36 | 17 | 44 | 12 | 28 |
| Region: | | | | | | | | |
| Northeast | 0 | 4 | 1 | -9 | -23 | 4 | -26 | -10 |
| Midwest | 13 | 7 | 5 | -8 | 2 | 13 | -8 | 2 |
| South | 1 | -4 | 0 | -6 | -11 | 2 | -15 | -7 |
| West | 2 | 0 | -10 | 5 | -14 | 11 | -23 | -6 |
| Race: | | | | | | | | |
| White | 9 | 6 | 3 | 0 | -5 | 9 | -10 | -1 |
| Black | -42 | -39 | -17 | -24 | -40 | -10 | -48 | -30 |
| Politics: | | | | | | | | |
| Republican | 18 | 14 | 13 | 3 | 6 | 18 | -12 | 5 |
| Democrat | 1 | -1 | -3 | 0 | -14 | 10 | -19 | -5 |
| Independent | -5 | -8 | -9 | -13 | -19 | -3 | -19 | -11 |
| Education: | | | | | | | | |
| < High School | -18 | -24 | -31 | -36 | -39 | -13 | -47 | -33 |
| High Sch. Grad. | -7 | -10 | -6 | -13 | -16 | -4 | -22 | -13 |
| College + | 20 | 19 | 13 | 12 | 2 | 20 | 2 | 10 |
| Home: | | | | | | | | |
| Own | 11 | 7 | 3 | 3 | 0 | 11 | -7 | 1 |
| Rent | -15 | -15 | -13 | -24 | -35 | -11 | -35 | -22 |
| Marital Status: | | | | | | | | |
| Single | -4 | -8 | 3 | -5 | -18 | 3 | -26 | -9 |
| Married | 13 | 11 | 5 | 2 | -5 | 13 | -9 | 0 |
| Sep/Wid/Div | -20 | -23 | -25 | -29 | -30 | -9 | -32 | -22 |
| Employ. Status: | | | | | | | | |
| Full-Time | 13 | 13 | 12 | 2 | -3 | 13 | -5 | 3 |
| Part-Time | -4 | -7 | -6 | -8 | -21 | 5 | -29 | -14 |
| Not Employed | -8 | -13 | -17 | -13 | -19 | -5 | -23 | -14 |