

## **Consumer Confidence is Cooler, Too**

Recent signs of a cooling economy reflect the course of consumer confidence, which started the year with a bang but since has lost its forward momentum.

Confidence in January soared to a new 14-year high in the weekly ABC News/Money magazine poll. But it then lost ground and now has hovered within a narrow band for the last few months. Lower public ratings of the buying climate are mainly at fault.

Other recent indicators suggest a cooling economy. The unemployment rate increased to 4.1 percent in May, factory orders fell 4.3 percent in April (the largest decline in almost a decade), home sales have dropped sharply and productivity gains have slowed.

Still, confidence is quite strong by historical standards. Seventy-six percent of Americans say the economy is in good shape, nearly double the 14-year average. Sixty-eight percent rate their own finances positively and 49 percent say it's a good time to buy things, both 11 points above their averages.

		----- Since 12/85 ----		
Positive ratings:	Today	Highest	Lowest	Average
National Economy	76%	80	7	40
Personal Finances	68	70	42	57
Buying Climate	49	57	20	38

INDEX - The ABC/Money Consumer Comfort Index, based on these ratings, stands at +29 on its scale of +100 to -100, up two points from last week. The index peaked at +38 on Jan.16, but has ranged from +25 to +29 since mid-March. Its lifetime average, depressed by recession in the early 1990s, is just -11.

	ABC/Money Index	
Today	+29	
Jan. 16, 2000	+38	Record High
2000 average	+30	
1999 average	+28	Best full year
1992 average	-44	Worst full year
Feb. 9, 1992	-50	Record low
Average since 12/85	-11	

Call the ABC News Polling Unit, ext. 2621, for a chart tracking the index over time.

GROUPS - As usual, confidence is higher among better-off Americans: The index is +58 in higher-income households compared to -22 in the lowest, +48 among college

graduates but -15 among high-school dropouts, +35 among whites but +7 among blacks and +32 among men compared to +25 among women.

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

**NATIONAL ECONOMY-** The poll asks: Would you describe the state of the nation's economy these days as excellent, good, not so good or poor? Seventy-six percent say excellent or good, same as last week. The record, 80 percent, was set on Jan. 16, 2000. The worst rating was seven percent in late 1991 and early 1992.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	76%	15	61	24	17	7
Avg. since 12/85	40	4	36	60	40	20

**PERSONAL FINANCES -** The poll asks: Would you describe the state of your own personal finances these days as excellent, good, not so good or poor? Sixty-eight percent say excellent or good, up two points from last week. The record, 70 percent, was set Aug. 30, 1998 and last matched in January. The worst was 42 percent on March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	68%	8	60	32	21	11
Avg. since 12/85	57	5	52	43	31	13

**BUYING CLIMATE -** The poll asks: Considering the cost of things today and your own personal finances, would you say now is an excellent time, a good time, a not-so-good time or a poor time to buy the things you want and need? Forty-nine percent say excellent or good, unchanged from last week. The record, 57 percent, was set Jan. 16, 2000. The worst rating, 20 percent, was set in fall 1990.

	Pos. NET	Excel.	Good	Neg. net	Not good	Poor
This week	49%	5	44	51	35	16
Avg. since 12/85	38	3	35	62	41	21

**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 1,028 interviews in the week ending June 4 and have an error margin of plus or minus three percentage points. Fieldwork by ICR-International Communications Research of Media, Pa.

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.

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ABC News polls can be found at ABCNEWS.com on the Internet, at:  
<http://abcnews.go.com/sections/politics/PollVault/PollVault.html>

06/04/00	This Week	Last Week	4 Wks Ago	3 Mo. Ago	1 Yr. Ago	12 Mo High	12 Mo Low	12 Mo Avg
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Group								
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GENERAL POPULATION:								
Overall Index	29	27	25	29	27	38	22	28
State of Economy	52	52	44	54	42	60	38	47
Personal Finances	36	32	32	32	38	40	28	34
Buying Climate	-2	-2	0	0	2	14	-4	4
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OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	32	32	33	32	33	45	30	36
Women	25	21	18	24	22	30	11	20
Age:								
18 - 34	30	29	23	29	25	37	16	26
35 - 44	26	22	22	21	31	37	13	28
45 - 54	34	29	45	21	27	45	11	29
55 - 64	24	29	25	35	31	48	16	30
65 +	25	19	18	39	27	45	14	28
Income:								
Under \$15K	-22	-23	-23	-12	-24	-12	-42	-24
\$15K To \$24.9K	8	7	2	-9	5	26	-11	2
\$25K To \$39.9K	30	30	26	31	24	33	8	24
\$40K To \$49.9K	34	34	26	34	42	60	26	41
Over \$50K	58	56	58	60	55	68	53	60
Region:								
Northeast	37	38	33	20	25	48	20	32
Midwest	24	28	34	32	36	41	20	31
South	25	17	17	26	24	31	14	23
West	31	28	23	33	27	43	13	28
Race:								
White	35	34	31	30	30	43	26	33
Black	7	-11	-15	25	11	25	-15	0
Politics:								
Republican	41	39	35	43	33	55	32	42
Democrat	30	29	28	25	28	38	15	27
Independent	23	20	19	22	25	29	13	21
Education:								
< High School	-15	-13	-6	-7	0	9	-27	-11
High Sch. Grad.	21	18	15	15	19	32	8	19
College +	48	45	42	49	42	53	38	46
Home:								
Own	38	35	31	36	35	44	28	35
Rent	4	5	9	6	5	22	-3	9
Marital Status:								
Single	26	19	24	26	19	36	8	24
Married	37	36	30	33	32	44	27	34
Sep/Wid/Div	3	2	9	10	13	17	-9	7
Employ. Status:								
Full-Time	36	35	32	30	38	44	29	36
Part-Time	29	28	26	30	11	38	7	23
Not Employed	19	14	16	25	18	28	8	18

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