

Consumer Confidence Gains; Most Expect Continued Growth

Consumer confidence advanced to its best level since March this week, and hopes for the future are high, too: Two-thirds of Americans expect the economy to keep growing for at least another year, the latest ABC News/Money magazine poll has found.

Rating current conditions, 72 percent say the economy is in good shape, 65 percent say their finances are good and 50 percent call it a good time to buy things. Each of those—and especially the first—is well above its average in more than 12 years of weekly polls.

	Today	Positive Ratings	
		Record high	12-yr. avg.
National Economy	72%	76	34
Personal Finances	65	68	55
Buying Climate	50	54	36

Looking to the future, 31 percent expect the economy to keep growing for the next year or two and 36 percent expect it to grow for more than two years—a total of 67 percent who expect continued growth. Twenty-five percent expect the current expansion to end within the next year.

How long will the economy grow?	
Less than a year	25%
More than a year	67

INDEX - The ABC/Money Consumer Comfort Index, based on ratings of current economic conditions, rose two points this week to +25 on its scale of +100 to -100. That's its highest since it reached a record high of +29 on March 22; in April and May it hovered between +19 and +24.

Consumer confidence soared to unheard of levels in the first quarter, boosted by growing personal income, low unemployment and low inflation. The index is far above its lifetime average of -17, or even its previous best year, an average of +5 last year.

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

	ABC/Money Index	
Today	+25	
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	

GROUPS - High as it is, confidence still lags in economically vulnerable groups. The index is +35 among men compared to +13 among women, +28 among whites but -7 among blacks, +52 in higher-income households but -35 in the lowest and +45 among people who've attended college but -17 among high school dropouts.

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

NATIONAL ECONOMY- Seventy-two 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-five percent rate their finances positively, unchanged. The best was 68 percent March 22; the worst, 58 percent negative March 14, 1993.

BUYING CLIMATE - Fifty percent call this a good time to buy things, up two points. The best was 54 percent March 22; the worst, 80 percent negative in fall 1990.

	Positive ratings for...		
	National Economy	Personal Finances	Buying Climate
This week	72%	65	50
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 1,036 interviews in the month ending June 7 and have an error margin of plus or minus three percentage points. The question on how long the economy will grow was conducted among 520 respondents May 27-June 7; that result has a 4.5-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.

Here's the full question on future economic growth:

208. The United States is in the eighth year of an economic expansion. For how much longer do you expect the economy to grow—would you say less than six months, six months to a year, between one and two years, or more than two years?

	<6 mo.	6 mo.-1yr.	1-2 yrs.	>2 yrs.	No opin.
6/7/98	5	20	31	36	8
6/8/97*	4	25	34	32	5

*"seventh year"

06/07/98	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	25	23	21	26	4	29	4	15
State of Economy	44	44	36	46	8	52	8	26
Personal Finances	30	30	26	30	20	36	14	25
Buying Climate	0	-4	2	2	-16	8	-16	-5
OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	35	35	35	34	16	39	13	24
Women	13	13	8	19	-6	20	-6	6
Age:								
18 - 34	12	15	20	24	-2	29	-2	10
35 - 44	26	20	18	30	3	37	-4	14
45 - 54	26	31	18	19	13	31	2	16
55 - 64	47	38	24	30	13	47	-5	19
65 +	23	31	31	31	8	35	-2	21
Income:								
Under \$15K	-35	-33	-36	-26	-44	-18	-47	-32
\$15K To \$24.9K	16	12	6	9	-19	16	-34	-7
\$25K To \$39.9K	16	21	17	22	12	25	-6	12
\$40K To \$49.9K	46	50	34	45	-4	54	-4	28
Over \$50K	52	52	57	59	44	63	33	49
Region:								
Northeast	27	24	18	15	2	27	-4	11
Midwest	33	31	23	30	17	34	6	20
South	16	18	23	28	-1	29	-6	14
West	24	23	18	30	1	40	1	14
Race:								
White	28	30	26	33	9	33	9	20
Black	-7	-6	-8	-9	-36	4	-36	-15
Politics:								
Republican	38	37	39	32	24	42	16	29
Democrat	20	26	20	20	4	26	-2	12
Independent	22	19	17	29	-9	30	-9	11
Education:								
< High School	-17	-22	-11	-1	-21	1	-38	-17
High Sch. Grad.	12	13	14	19	-8	22	-8	6
College +	45	47	36	41	22	48	22	32
Home:								
Own	30	29	28	35	15	36	12	23
Rent	9	11	4	7	-20	11	-20	-4

Marital Status:								
Single	21	20	19	21	-6	30	-7	9
Married	30	29	27	32	16	36	13	22
Sep/Wid/Div	3	9	5	10	-24	18	-24	-5
Employ. Status:								
Full-Time	32	32	28	32	15	35	10	22
Part-Time	15	6	17	20	-6	27	-6	8
Not Employed	12	14	11	21	-7	25	-8	6