

SURVEY#: 507 DATE: 2/06/96 TO 9/09/99 #INT: 1 GEN USA
ABC NEWS/MONEY CONSUMER INDEX - 6/15/97
EMBARGOED FOR RELEASE AFTER 6:30 p.m. Wednesday, June 18, 1997

Record High in ABC/Money
Consumer Confidence Poll

Consumer confidence has surged to a record high in more than 11 years of weekly polls by ABC News and Money magazine.

Fifty-six percent of Americans now say the economy's in good shape, the most since this survey began in December 1985. Sixty-three percent rate their finances positively, tying the record. And the most since September 1986 (though not a majority) call this a good time to spend money.

The ABC/Money Consumer Comfort Index, based on these gauges, stands at +9 on its scale of +100 to -100. Its previous best was +8 on May 11, 1986.

The record caps a remarkable recovery. Hammered by recession and slow-growing income, the index averaged a dismal -30 from 1990-95, falling as low as -50 in 1992. At various points in the early '90s a record 93 percent of Americans rated the economy negatively, 58 percent said their finances were in bad shape and 80 percent called it a bad time to spend money.

That has turned around dramatically. Just since last fall the number of Americans who rate the economy positively has gained 16 points, from 40 percent to 56 percent. And the number who say the buying climate and their own finances are OK have grown by seven and eight points, respectively.

	ABC/Money Index	
Today	+9	New record
1997 average	-2	
1996 average	-11	
1990-95	-30	
1986-90	-9	
Full average	-19	
May 11, 1986	+8	Previous record

This poll has been conducted for 599 consecutive weeks; to date a random sample of more than 155,000 Americans have been interviewed.

The record high in the ABC/Money poll coincides with a steady stream of positive economic statistics. Today the U.S. Labor Department reported that in the first quarter of 1997 productivity increased at its fastest rate in more than three years and hourly worker compensation rose at its highest rate in five years; both accompanied the fastest economic growth in a decade.

RATINGS - In the poll, 56 percent now call the economy "excellent" or "good," two points better than the previous record, 54 percent last week. For comparison, on average over the life of the index only 32 percent have rated the economy positively.

Sixty-three percent rate their personal finances positively, up three points to

tie the record set last April 13.

In the one gauge that remains mostly negative, 56 percent call this a bad time to spend money on things they want and need. That's the fewest since September 1986, but still eight points away from the record, set in May '86. The public's lingering reluctance to spend money may help explain the low inflation that's accompanied this recovery.

	Positive Ratings	
	Today	11-yr avg.
National Economy	56%	32%
Personal Finances	63	54
Buying Climate	44	35

GROUPS - Confidence customarily lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is +21 among men, but -3 among women; +13 among whites, but -25 among blacks; +48 in higher-income households, but -45 in the lowest; and +26 among people who've attended college, but -16 among high school dropouts.

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

NATIONAL ECONOMY- A record 56 percent rate the economy positively. 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-three percent rate their finances positively, up three points to tie the record set April 13. It's averaged 59 percent this year; the average for the life of the index is 54 percent. The worst was 58 percent negative March 14, 1993.

BUYING CLIMATE - Fifty-six percent call this a bad time to buy things, down two points. 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	56% pos	63% pos	56% 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	56% 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 1,018 interviews in the month ending June 15 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.

06/15/97	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	9	4	-1	-5	-9	9	-13	-5
State of Economy	12	8	2	-6	-24	12	-24	-9
Personal Finances	26	20	16	12	16	26	10	17
Buying Climate	-12	-16	-20	-22	-20	-12	-30	-23

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	21	16	8	10	5	21	-5	6
Women	-3	-6	-8	-19	-22	-3	-25	-15
Age:								
18 - 34	-1	-2	-5	-10	-9	5	-23	-6
35 - 44	7	3	3	0	-14	9	-21	-6
45 - 54	18	13	2	-7	-14	18	-22	-4
55 - 64	21	13	-4	-4	-5	21	-36	-4
65 +	13	8	6	0	-8	15	-12	-2
Income:								
Under \$15K	-45	-44	-36	-50	-57	-32	-57	-45
\$15K To \$24.9K	-15	-19	-19	-32	-24	-8	-40	-24
\$25K To \$39.9K	11	12	1	0	-13	12	-19	-5
\$40K To \$49.9K	1	-4	2	3	12	26	-4	7
Over \$50K	48	44	37	36	23	48	12	29
Region:								
Northeast	3	2	-1	-12	-15	4	-26	-9
Midwest	18	17	9	0	-4	18	-8	2
South	8	-1	-3	-9	-13	8	-15	-7
West	4	1	-5	4	-5	11	-23	-6
Race:								
White	13	9	4	0	-3	13	-10	-1
Black	-25	-36	-32	-31	-44	-10	-48	-30
Politics:								
Republican	25	24	10	2	7	25	-12	5
Democrat	12	4	-2	-4	-14	12	-19	-4

Independent	-3	-9	-9	-11	-15	-3	-18	-11
Education:								
< High School	-16	-21	-26	-35	-38	-13	-47	-32
High Sch. Grad.	-6	-8	-6	-16	-19	-4	-22	-12
College +	26	22	13	14	9	26	2	10
Home:								
Own	20	15	4	4	-1	20	-7	2
Rent	-19	-20	-14	-27	-30	-11	-33	-22
Marital Status:								
Single	-5	-6	-3	-8	-13	3	-26	-8
Married	18	16	7	2	-4	18	-9	1
Sep/Wid/Div	-17	-24	-20	-26	-26	-9	-32	-22
Employ. Status:								
Full-Time	17	15	8	4	3	17	-5	3
Part-Time	-2	-6	-10	-17	-28	5	-29	-14
Not Employed	-3	-7	-9	-13	-23	-3	-23	-14