

Confidence Hits Seven-Month Low

In yet another sign of a cooling economy, consumer confidence dropped this week to its lowest level since November, pushed by the lowest ratings of the buying climate in eight months.

After soaring to a new 14-year high in the weekly ABC News/Money magazine poll at the beginning of the year, confidence immediately lost ground and has hovered within a narrow band for the last few months. This week it slipped even lower, to a level not seen since last fall.

While confidence is still high by historical standards, ratings of the buying climate have declined as oil prices have risen. Forty-eight percent now say it's a good time to buy things, down nine points from the record set in January.

But Americans' ratings of their personal finances and of the national economy remain high. Sixty-six percent rate their own finances positively, just four points off the record, and 72 percent say the economy is in good shape, eight points below its high but 32-points above the 14-year average.

		----- Since 12/85 ----		
Positive ratings:	Today	Highest	Lowest	Average
National Economy	72%	80	7	40
Personal Finances	66	70	42	57
Buying Climate	48	57	20	38

INDEX - The ABC/Money Consumer Comfort Index, based on these ratings, stands at +24 on its scale of +100 to -100, down two points from last week. The index peaked at +38 on Jan.16. Its lifetime average, depressed by recession in the early 1990s, is just -11.

	ABC/Money Index	
Today	+24	
Jan. 16, 2000	+38	Record high
2000 average	+29	
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 -35 in the lowest, +40 among college graduates but -20 among high-school dropouts, +30 among whites but +2 among blacks and +31 among men compared to +18 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-two percent say excellent or good, down two points from 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	72%	12	60	28	20	8
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-six percent say excellent or good, up one point 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	66%	7	59	34	22	12
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-eight percent say excellent or good, down two points 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	48%	4	44	52	37	15
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 1,034 interviews in the week ending June 18 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.

Analysis by Dalia Sussman.

ABC News polls can be found at ABCNEWS.com on the Internet, at:

<http://abcnews.go.com/sections/politics/PollVault/PollVault.html>

06/18/00	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	24	26	29	28	30	38	22	28
State of Economy	44	48	52	50	44	60	38	47
Personal Finances	32	30	34	34	38	40	28	33
Buying Climate	-4	0	0	0	8	14	-4	4

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	31	30	34	32	34	45	30	36
Women	18	21	23	23	25	30	11	20
Age:								
18 - 34	23	28	29	22	31	37	16	26
35 - 44	20	21	24	20	33	37	13	27
45 - 54	43	38	33	29	30	45	11	30
55 - 64	13	18	36	43	30	48	13	30
65 +	17	19	20	32	21	45	14	28
Income:								
Under \$15K	-35	-27	-16	-24	-20	-12	-42	-25
\$15K To \$24.9K	-6	-2	13	-3	1	26	-11	2
\$25K To \$39.9K	23	26	23	24	31	33	8	24
\$40K To \$49.9K	36	33	34	45	37	60	26	41
Over \$50K	58	58	57	61	61	68	53	60
Region:								
Northeast	27	34	37	21	32	48	20	32
Midwest	17	18	33	31	35	40	17	30
South	22	22	20	25	20	31	14	23
West	31	32	29	34	37	43	13	28
Race:								
White	30	31	35	31	34	43	26	33
Black	2	9	-5	4	2	25	-15	0
Politics:								
Republican	40	40	39	41	47	55	32	42
Democrat	18	24	29	26	26	38	15	27
Independent	24	22	28	22	23	29	13	21
Education:								
< High School	-20	-19	-7	-14	-11	9	-27	-11
High Sch. Grad.	20	18	20	18	25	32	8	19
College +	40	45	46	48	47	53	38	46
Home:								
Own	33	37	36	35	36	44	28	35
Rent	3	2	8	4	10	22	-3	9
Marital Status:								
Single	18	24	27	24	23	36	8	24
Married	31	33	36	33	35	44	27	34
Sep/Wid/Div	4	2	4	6	15	17	-9	7
Employ. Status:								
Full-Time	33	36	34	32	39	44	29	36

Part-Time	23	20	25	25	19	38	7	23
Not Employed	12	14	21	20	20	28	8	18

END