

## **Consumer Confidence: Like a Truck in the Mud**

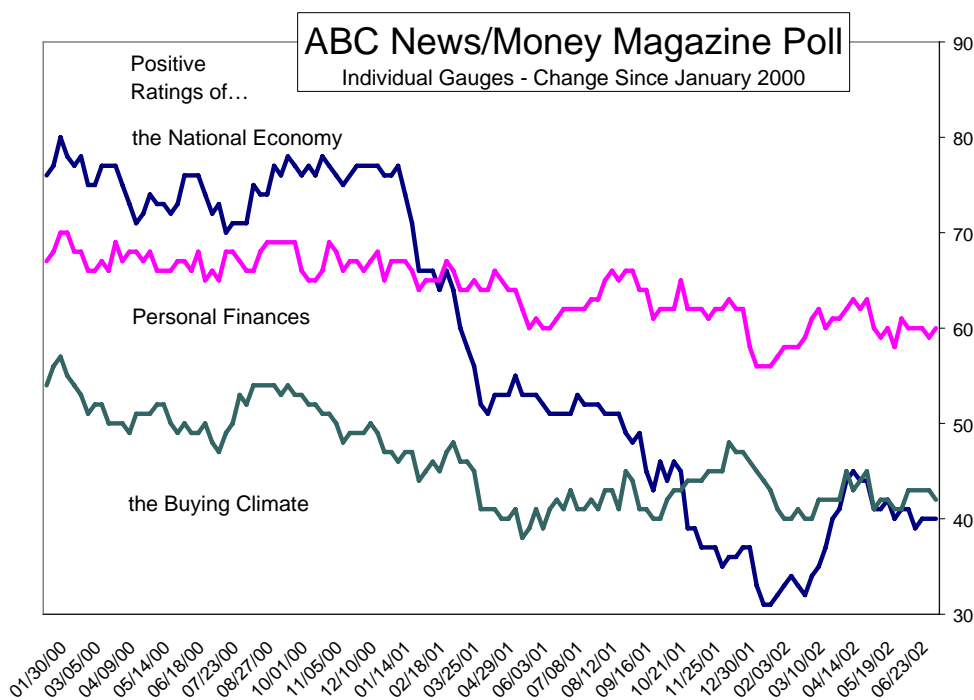
Like a truck in the mud, consumer confidence continues to spin its wheels – showing no headway for the effort, but at least not losing any ground.

It could be much worse: Confidence, while down markedly from its early-2000 peak, is slightly better than its average the last 16 years, and far above its lows after the 1990-91 recession. It just looks stuck in that middle zone, as if consumers were waiting for clearer economic cues – either a stronger recovery, or a failing one.

Today 60 percent of Americans say their own finances are OK (three points better than the 16-year average), 42 percent call it a good time to spend money (also three points better) and 40 percent say the economy's in good shape (the average is 42).

None of these has changed much in the last two and a half months. The ABC News/Money magazine Consumer Comfort Index, based on these gauges, stands at -5 on its scale of +100 to -100; it's been between -4 and -7 since April 21.

The index was as low as -13 in February, then advanced smartly to +1 in late March before faltering. It peaked at +38 in January 2000; cratered at -50 in February 1992; and has averaged -8 since this weekly survey began in December 1985.

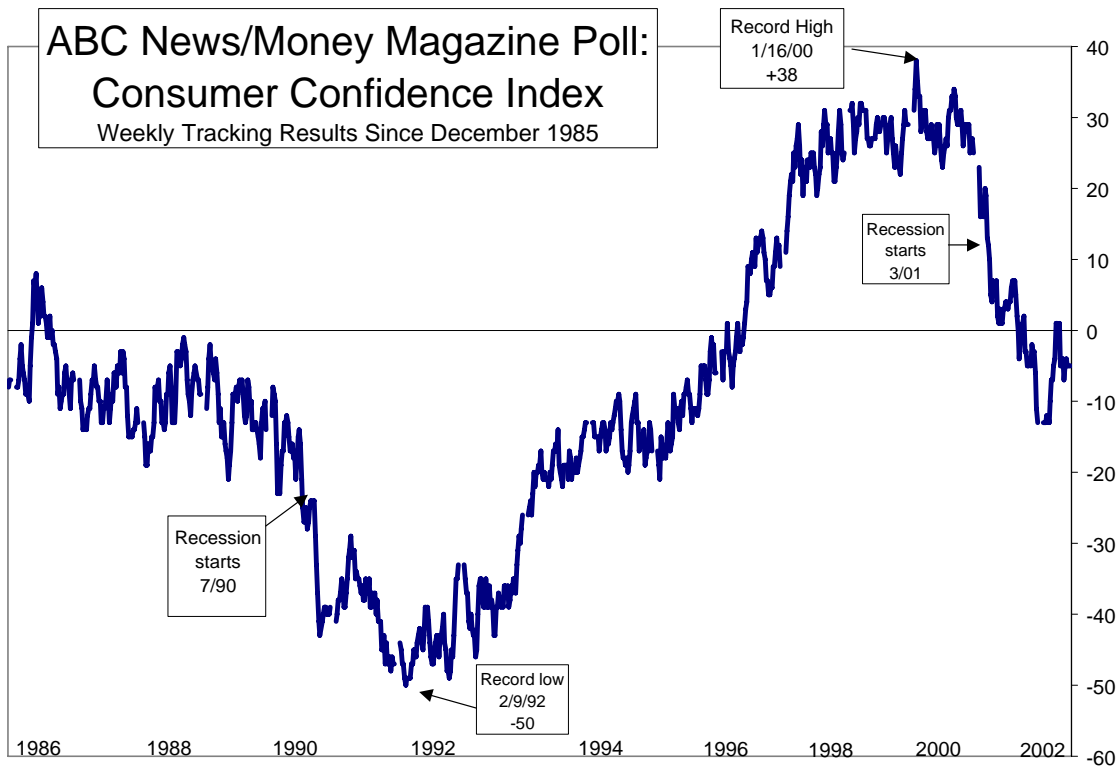


The index is based on views of current economic conditions. The ABC/Money poll separately, on a monthly basis, measures expectations for the future. That showed a decline in mid-June, with consumer optimism dropping to its lowest since January.

	ABC News/Money magazine poll			
Positive ratings of:	6/23	4/14	2/10	16-yr. avg.
National economy	40%	44	32	42
Buying climate	42	45	40	39
Personal finances	60	63	59	57
Consumer Comfort Index	-5	+1	-13	-8

**TREND** – The weekly ABC/Money index started 2001 at +23 and finished it at -13. It gyrated this spring – up five points the week of March 24, down six points the week of April 21 – before settling into its current groove.

ABC/Money Index		
Today	- 5	
Last week	- 5	
2002 high	+ 1	
2002 low	-13	
2002 average	- 6	
2001 average	+ 4	
2000 average	+29	Best full year
1992 average	-44	Worst full year
Jan. 16, 2000	+38	Record high
Feb. 9, 1992	-50	Record low
Average since 12/85	- 8	



GROUPS - As usual, confidence is higher among better-off Americans. The index is +25 in higher-income households compared to -40 in the lowest, +9 among college graduates while -38 among high-school dropouts, -1 among whites but -40 among blacks and +1 among men while -11 among women.

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

NATIONAL ECONOMY – Forty percent of Americans rate the nation's economy as excellent or good, unchanged from last week. The best was 80 percent Jan. 16, 2000. The worst was seven percent in late 1991 and early 1992.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	40	1	39	60	47	13
Avg. since 12/85	42	4	38	58	39	19

PERSONAL FINANCES – Sixty percent rate their own finances as excellent or good, up one point from last week. The best was 70 percent, set Aug. 30, 1998 and last matched in January 2000. The worst rating was 42 percent on March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	60	6	54	40	27	13
Avg. since 12/85	57	5	53	43	30	12

BUYING CLIMATE – Forty-two percent say it's an excellent or good time to buy things they want and need, down one point from last week. The best was 57 percent Jan. 16, 2000. The worst was 20 percent in fall 1990.

	Pos. NET	Excel.	Good	Neg. net	Not good	Poor
This week	42	3	39	58	43	15
Avg. since 12/85	39	3	36	61	41	21

METHODOLOGY - The ABC News/Money magazine Consumer Comfort Index represents a rolling average based on telephone interviews with a random sample of about 1,000 adults nationwide each month. This week's results are based on 1,025 interviews in the month ending June 23, 2002 and have an error margin of plus or minus three percentage points. Field work 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 Gary Langer.

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

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06/23/02

This Last 4 Wks 3 Mo. 1 Yr. 12 Mo 12 Mo 12 Mo  
 Week Week Ago Ago Ago High Low Avg

Group

GENERAL POPULATION:

Overall Index	-5	-5	-4	1	4	7	-13	-3
State of Economy	-20	-20	-18	-12	6	6	-38	-18
Personal Finances	20	18	20	24	24	32	12	22
Buying Climate	-16	-14	-14	-10	-18	-4	-20	-14

OVERALL INDEX BY DEMOGRAPHIC GROUPS

Sex:

Men	1	4	3	6	13	13	-6	3
Women	-11	-13	-9	-5	-4	6	-21	-9

Age:

18 - 34	-3	-2	8	-4	6	21	-8	3
35 - 44	-4	-6	-5	3	3	9	-17	-4
45 - 54	1	6	-7	3	-1	6	-22	-6
55 - 64	-6	-12	-1	20	4	20	-30	-4
65 +	-16	-16	-21	-11	9	9	-23	-11

Income:

Under \$15K	-40	-43	-38	-43	-45	-23	-54	-42
\$15K To \$24.9K	-33	-42	-42	-23	-26	-14	-44	-26
\$25K To \$39.9K	-20	-18	-10	-6	-11	11	-24	-9
\$40K To \$49.9K	4	5	-2	2	-4	15	-14	2
Over \$50K	25	27	25	29	39	39	3	22

Region:

Northeast	-5	-9	-16	-6	5	9	-18	-5
Midwest	-11	-4	3	3	10	13	-15	-2
South	-3	-2	2	-2	5	8	-13	-2
West	-3	-7	-9	8	-4	8	-21	-5

Race:

White	-1	-1	2	7	10	12	-8	1
Black	-40	-42	-34	-42	-27	-8	-51	-32

Politics:

Republican	15	16	22	28	30	34	5	20
Democrat	-18	-19	-19	-15	-9	2	-29	-16
Independent	-10	-8	-10	-3	-5	4	-19	-7

Education:

< High School	-38	-36	-36	-20	-35	-12	-49	-32
High Sch. Grad.	-11	-11	-5	-7	-11	6	-18	-8
College +	9	9	8	13	26	26	-5	9

Home:

Own	0	2	3	8	12	16	-10	3
Rent	-19	-23	-20	-20	-16	-6	-28	-18

Marital Status:

Single	-11	-1	10	-10	4	15	-19	-2
Married	2	-1	0	9	10	12	-7	2
Sep/Wid/Div	-21	-26	-26	-23	-21	-10	-42	-24

Employ. Status:

Full-Time	3	4	4	12	13	19	-4	7
Part-Time	-6	-9	14	7	1	14	-15	-4
Not Employed	-19	-17	-20	-18	-7	-5	-28	-17

\*\*\*END\*\*\*