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ABC NEWS/MONEY CONSUMER INDEX - 6/23/96

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CONFIDENCE GOES IN SUMMER
AT PRE-RECESSION LEVEL

Consumer confidence remained at its pre-recession level for a second week in a row. That's the first time that's happened in post recession times.

The ABC News/Money magazine Consumer Comfort Index sustained its three point gain of a week ago and is at -9 on its scale of +100 to -100. This is only the fifth time since the 1990-91 recession it's been this high. It hasn't been higher since Jan. 14, 1990.

The index is based on views of the economy, personal finances and the buying climate. The index averaged -9 from 1986 to mid-1990, then plummeted with the recession, averaging -39 through 1993. It recovered solidly in 1994 and a bit more in 1995, but has averaged barely better this year than last.

	ABC/Money Index
Today	-9
1996 average	-14
1995	-15
1994	-19
1993	-37
1992	-44
1990-93	-39
1986-90	-9

This is first time in post recession times that the index has scored back to back -9s. The index hit -9 in mid-April and in September and June 1995, but quickly turned back. And there has been a pattern of improving consumer confidence in spring and early summer in the index. Time will tell whether the index is really on a positive, sustained roll or only smelling spring flowers.

POLITICS- If consumer confidence were to persist at this level through the summer it would be a powerful weapon for Bill Clinton against any political damage from his Whitewater & Ex Files troubles. Nothing helps a president seeking re-election more than public perception that the economy is OK. When the economy is sluggish, they have trouble getting re-elected. Just ask George Bush.

BETTER OFF?- This week's ABC/Money poll also included a question about whether people feel they are better off now than when Clinton took office. The results show Clinton doing better than Bush at the same stage in the 1992 campaign, but nothing to write home about.

	Better off	Not as well off	About the same
CLINTON 6/23/96	29	22	49

BUSH

INDICES - There was little change in the index components this week. Forty percent of Americans call it a good time to buy things they want and need - still well short of a majority and down a point, but much better than the 1990-93 average.

Sixty-two percent say the economy is in bad shape - another negative reading, but again much better than the 1990-93 average. In the only positive measure, 58 percent say their own finances are in pretty good shape - a point better than the pre-recession (1986-90) average.

	Today	1990-93	1986-90
Negative on national economy	62	85	59
Negative on buying climate	60	74	61
Positive on personal finances	58	49	57

GROUPS - As usual, confidence lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is +5 among men but -22 among women; +23 in higher-income households but -57 in the lowest; -3 among whites but -44 among blacks; and +9 among people who have attended college but -38 among high school dropouts.

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

NATIONAL ECONOMY- Sixty-two percent rate the economy negatively, the same as last week. It's averaged 65 percent this year, compared to 85 percent from 1990-93 and 59 percent from 1986-1990. The worst, 93 percent, was in late 1991 and early 1992; the best, 50-50, was April 27, 1986. The average for the life of the index is 69 percent negative.

PERSONAL FINANCES - Fifty-eight percent rate their finances positively, unchanged. It's averaged 57 percent this year, compared to 49 percent in the 1990-93 slump and 57 percent before the recession. The worst was 58 percent negative March 14, 1993; the best, 62 percent positive Dec. 20, 1987. The full average is 54 percent positive.

BUYING CLIMATE - Sixty percent call this a bad time to buy things, up a point this week. It's averaged 64 percent this year, compared to 74 percent during the 1990-93 slump and 61 percent before the recession. The worst is 80 percent negative Nov. 2 and Oct. 28, 1990; the best, 52 percent positive May 11, 1986. The full average is 66 percent negative.

	National Economy	Personal Finances	Buying Climate
This week	62% neg	58% pos	60% neg
1996 Average	65% neg	57% pos	64% 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	69% neg	54% pos	66% neg

(1986-1995)

Worst	93% neg	58% neg	80% neg
Best	50% pos	62% 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 is done by ICR/AUS Consultants of Media, Pa. This week's results are based on 1,052 interviews in the month ending June 23 and have an error margin of plus or minus 3.5 percentage points. The question on Clinton is based on 525 interviews over the two weekend ending June 23 and has a plus or minus 5 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.

ABC polls are available in the ABC News area of America Online and PoliticsNow on the internet..

Analysis by Jeff Alderman. For details contact the ABC News Polling Unit, (212) 456-2621.

06/23/96	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	-9	-11	-17	-17	-9	-21	-15
State of Economy	-24	-24	-24	-30	-36	-18	-38	-30
Personal Finances	16	16	16	8	12	18	4	12
Buying Climate	-20	-18	-26	-28	-26	-18	-36	-27

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	5	5	-1	-6	-4	5	-13	-3
Women	-22	-20	-20	-26	-29	-19	-33	-25
Age:								
18 - 34	-9	-7	-8	-13	-6	-5	-19	-11
35 - 44	-14	-14	-11	-18	-23	4	-26	-14
45 - 54	-14	-11	-19	-22	-19	-7	-36	-17
55 - 64	-5	-10	-12	-13	-34	-2	-40	-17
65 +	-8	-2	-13	-12	-17	-2	-34	-18
Income:								
Under \$15K	-57	-57	-53	-56	-54	-41	-61	-52
\$15K To \$24.9K	-24	-15	-22	-36	-27	-12	-48	-34
\$25K To \$39.9K	-13	-11	-7	-13	-12	-2	-29	-16
\$40K To \$49.9K	12	9	-10	-1	-13	21	-31	-2
Over \$50K	23	20	16	21	17	32	12	22
Region:								
Northeast	-15	-15	-24	-18	-31	-13	-34	-22

Midwest	-4	0	-6	-5	-4	11	-21	-5
South	-13	-11	-5	-23	-18	-5	-25	-17
West	-5	-5	-14	-16	-15	-2	-23	-15
Race:								
White	-3	-2	-7	-13	-12	-2	-15	-10
Black	-44	-43	-25	-27	-42	-23	-56	-41
Politics:								
Republican	7	10	3	-1	-1	10	-10	-1
Democrat	-14	-13	-10	-20	-21	-7	-28	-19
Independent	-15	-11	-20	-23	-23	-11	-26	-19
Education:								
< High School	-38	-35	-40	-41	-46	-35	-53	-43
High Sch. Grad.	-19	-17	-16	-24	-25	-10	-30	-23
College +	9	9	2	-1	0	9	-6	2
Home:								
Own	-1	1	-2	-11	-10	1	-15	-9
Rent	-30	-29	-32	-29	-36	-19	-37	-30
Marital Status:								
Single	-13	-14	-16	-17	-8	-1	-19	-12
Married	-4	-1	-6	-9	-12	-1	-18	-10
Sep/Wid/Div	-26	-28	-30	-40	-40	-26	-45	-37
Employ. Status:								
Full-Time	3	2	-2	-9	-3	3	-14	-5
Part-Time	-28	-25	-13	-23	-21	-4	-35	-19
Not Employed	-23	-19	-25	-24	-34	-17	-35	-27