## <u>ABC NEWS/MONEY CONSUMER INDEX - 7/2/00</u> EMBARGOED FOR RELEASE AFTER 6:30 p.m. Wednesday, July 5, 2000

## **Ratings of the National Economy Slip**

Americans' ratings of the national economy dropped to an eight-month low this week, amid signs of a slowing economy.

Though overall consumer confidence moved up a notch, one element of confidence – ratings of the national economy – slipped to 70 percent positive. While far better than usual, that's its lowest since November 1999, and 10 points below January's record high.

Ratings of the buying climate, similarly, are eight points below their January high. But, given rising incomes, Americans' ratings of their personal finances remain strong: Sixty-eight percent say their finances are in good shape, just two points off the record.

		S	ince 12/8	85
Positive ratings:	Today	Highest	Lowest	Average
National Economy	70응	80	7	40
Personal Finances	68	70	42	57
Buying Climate	49	57	20	38

INDEX - The ABC News/Money magazine Consumer Comfort Index, based on these ratings, stands at +25 on its scale of +100 to -100, up two points from last week. The index rose explosively in 1998 and 1999, but has lost steam since peaking at +38 on Jan.16. Its lifetime average, depressed by recession in the early 1990s, is -11.

	ABC/Money	Index
Today	+25	
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 12/8	35 -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 +56 in higher-income households compared to -30 in the lowest, +41 among college graduates but -12 among high-school dropouts, +27 among whites but +4 among blacks and +35 among men compared to +14 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 percent say excellent or good, down three 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.

		E	os. NET	Excel.	Good	Neg. NET	Not good	Poor
This	week		70%	12	58	30	23	7
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-eight percent say excellent or good, up three points 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	s. NET	Excel.	Good	Neg. NET	Not good	Poor
This	week		68%	7	61	32	23	9
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-nine percent say excellent or good, up 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	49%	3	46	51	37	14
Avg.	since 12/8	5 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 1,037 interviews in the week ending July 2 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: <u>http://abcnews.go.com/sections/politics/PollVault/PollVault.html</u>

07/02/00	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		23	20	27	20	20	22	28
State of Economy	25 40	23 46	29 52	42	28 48	38 60	38	∠8 47
Personal Finances	40 36	30	36	4∠ 36	28	40	28	33
Buying Climate	-2	-6	-2	2	20 8	40 14	20 -6	3
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		OVERAI	L IND	EX BY	DEMOGR	APHIC	GROUPS	5
Sex:								
Men	35	33	32	32	37	45	30	36
Women	14	13	25	21	20	30	11	20
Age:								
18 - 34	31	23	30	19	31	37	16	25
35 - 44	20	15	26	28	29	37	13	27
45 - 54	35	41	34	22	35	45	11	30
55 - 64	15	13	24	44	16	48	13	29
65 +	12	20	25	31	20	45	12	28
Income:								
Under \$15K	-30	-36	-22	-22	-31	-12	-42	-25
\$15K To \$24.9K	-8	-6	8	-9	-11	26	-11	1
\$25K To \$39.9K	12	14	30	18	30	33	8	23
\$40K To \$49.9K	41	41	34	60	49	60	26	41
Over \$50K	56	55	58	63	60	68	53	60
Region:								
Northeast	22	17	37	28	29	48	17	32
Midwest	22	23	24	30	35	40	17	29
South	19	24	25	23	22	31	14	23
West	36	26	31	27	29	43	13	28
Race:			~ -					
White	27	25	35	32	35	43	25	32
Black	4	6	7	-6	-3	25	-15	0
Politics:	21	10	4 7	2.4	4 🗖		2.1	10
Republican	31	40	41	37	47	55	31	42
Democrat	17	7	30	32	21	38	7	26
Independent	31	32	23	20	25	32	13	22
Education:	1 0	1 0	1 Г	1 2	20	0	27	1 1
< High School High Sch. Grad.	-12 15	-13 15	-15 21	-13 13	-20 14	9 32	-27 8	-11 19
College +	41	38	48	50	14 52	53	38	19 46
	41	20	40	50	52	55	20	40
Home: Own	31	31	38	33	31	44	28	35
Rent	7	4	4	8	18	22	-3	9
Marital Status:	/	Т	Т	0	τu	22	J	)
Single	20	9	26	23	29	36	8	24
Married	30	30	37	32	32	44	27	34
Sep/Wid/Div	50	13	3	6	7	17	-9	7
Employ. Status:	/	10	2	0	,	± /	)	,
Full-Time	31	28	36	34	39	44	28	35
Part-Time	23	11	29	18	18	38	20	23
Not Employed	15	19	19	17	14	28	, 8	18
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