

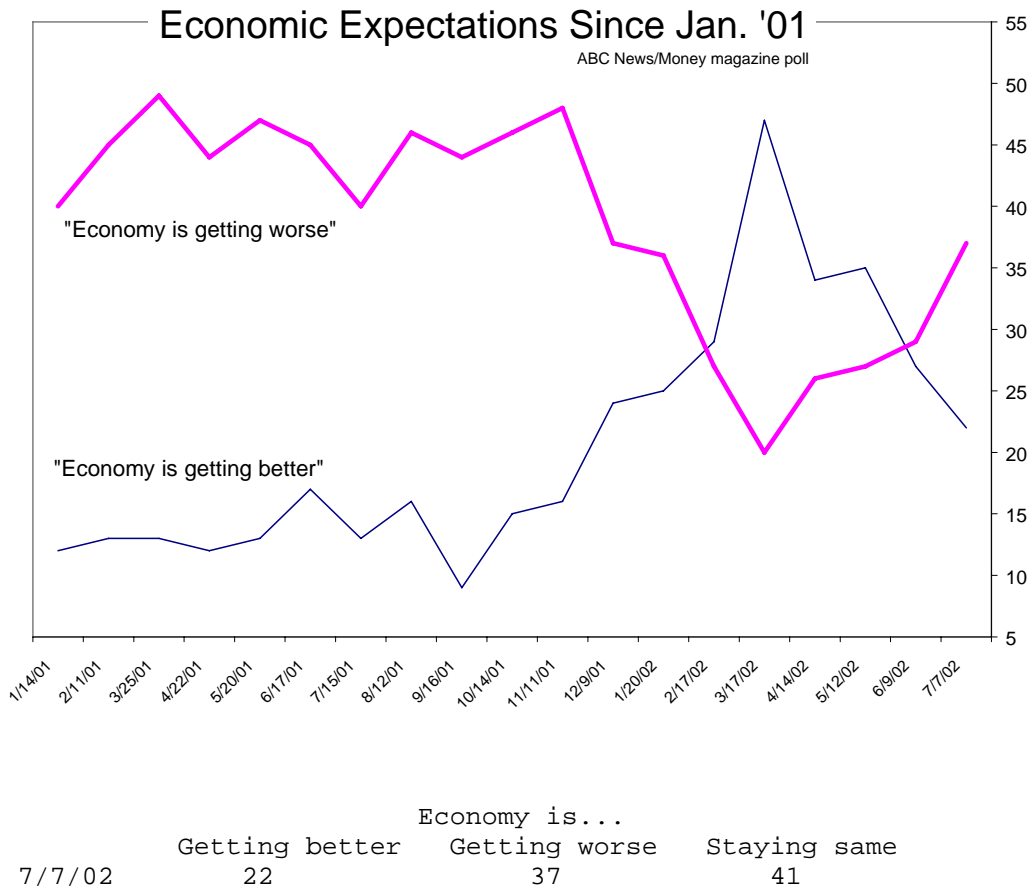
Economic Pessimism Jumps to a 2002 High

The number of Americans expressing pessimism about the economy's direction has jumped to its highest of the year, continuing a four-month trend that suggests a stalled recovery.

Thirty-seven percent in this week's ABC News/Money magazine poll say the economy's getting worse – the most this year, up eight points since last month and up 17 points from its 2002 low in March. Just 22 percent now say the economy's getting better, down from 47 percent in March (an 18-year high).

Rather than a sudden move – prompted, for instance, by recent corporate scandals – this continues a months-long trend: Economic optimism has fallen more or less steadily since March, while pessimism has grown. (Pessimism has increased uniformly across most demographic groups, but most sharply in the West.)

This measure improved smartly in the months after the 1981-82 recession ended, but was far more tepid coming out of the 1990-91 recession, when recovery was slow.



6/9/02	27	29	43
4/14/02	34	26	40
3/17/02	47	20	32
1/20/02	25	36	39
11/11/01	16	48	36

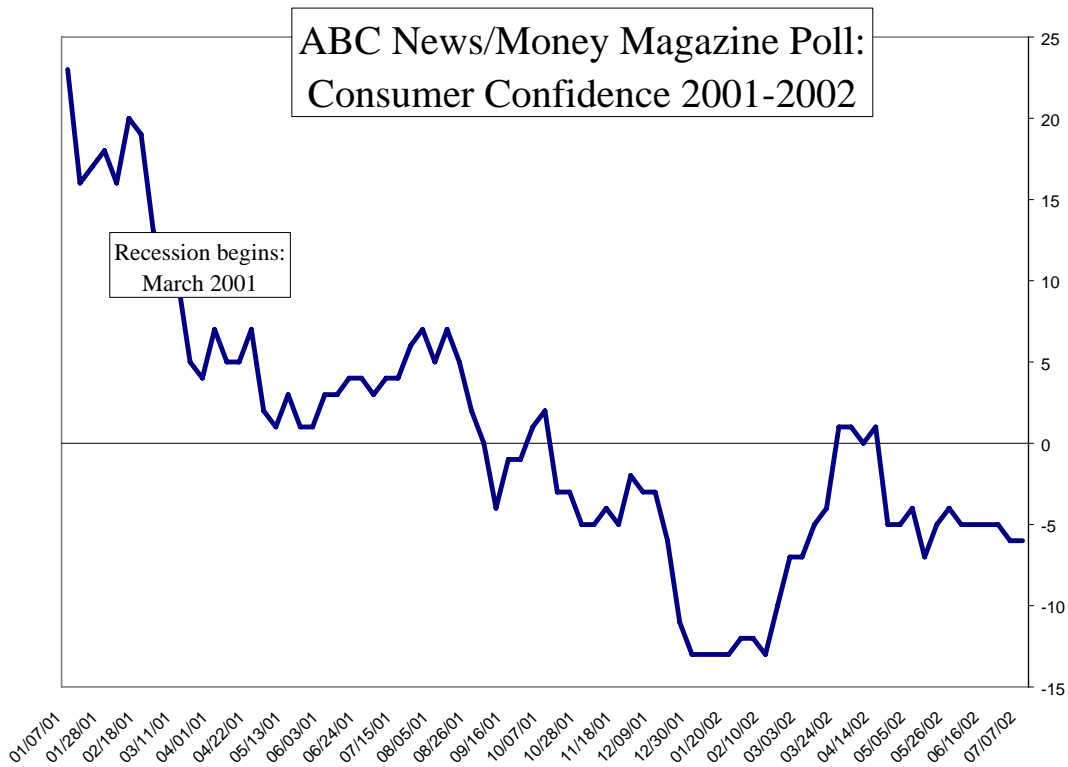
(Full trend below)

CURRENT VIEWS – Ratings of current economic conditions – as opposed to expectations for the future – remain stable this week. The ABC/Money Consumer Comfort Index stands at -6 on its scale of +100 to -100, matching its average for the year.

The index is composed of ratings of the current economy, buying climate and personal finances. Today 40 percent rate the national economy positively and 41 percent say it's a good time to buy things. Sixty percent say their own finances are in good shape.

	ABC News/Money magazine poll			
Positive ratings of:	7/7	4/14	2/10	16-yr. avg.
National economy	40%	44	32	42
Buying climate	41	45	40	39
Personal finances	60	63	59	57
Consumer Comfort Index	-6	+1	-13	-8

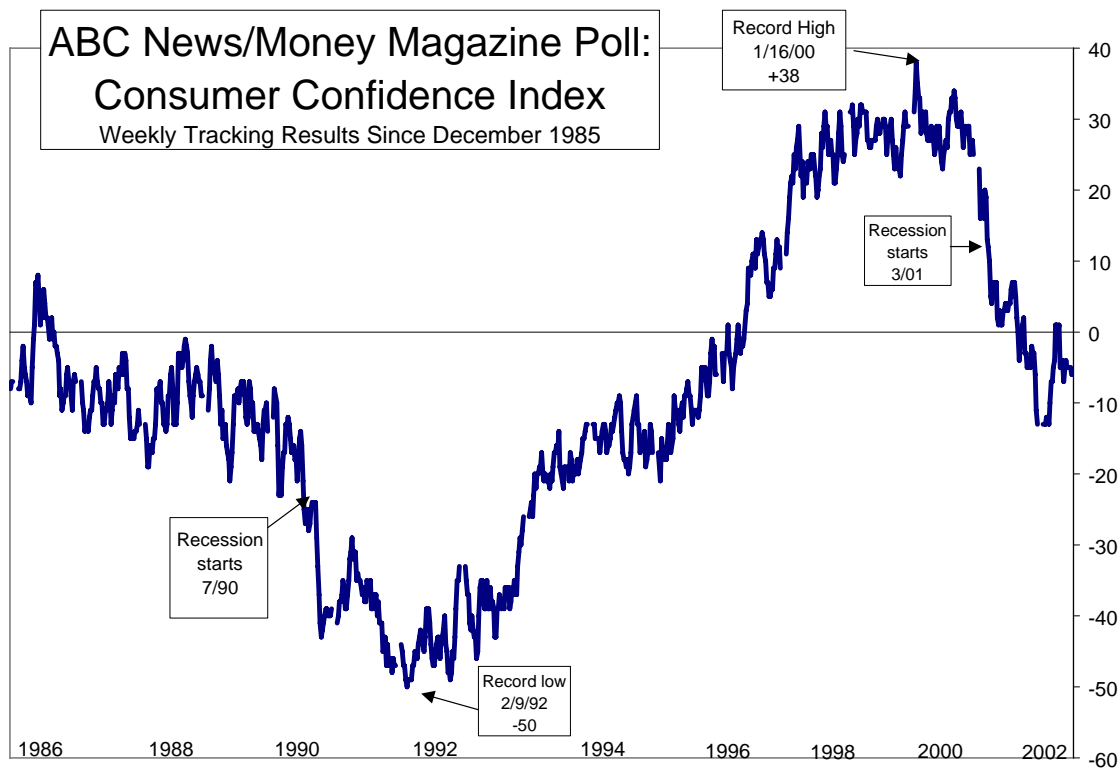
Expectations for the future sometimes diverge from public views of current economic conditions, which is why the ABC/Money poll tracks them separately.



TREND – The ABC/Money index peaked this year at +1 in March and again in mid-April, then dropped to -5 in late April. It’s held between -4 and -7 since April 21.

The index’s all-time high was +38 in January 2000; its record low, -50 in February 1992. It’s averaged -8 since this weekly survey began in December 1985.

	ABC/Money	Index	
Today	-	6	
Last week	-	6	
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 +15 in higher-income households compared to -33 in the lowest, +4 among college graduates while -32 among high-school dropouts, -1 among whites but -33 among blacks and -1 among men while -10 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, down one point 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	45	15
Avg. since 12/85	42	4	38	58	39	19

PERSONAL FINANCES – Sixty percent rate their own finances as excellent or good, unchanged 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	29	11
Avg. since 12/85	57	5	53	43	30	12

BUYING CLIMATE – Forty-one percent say it's an excellent or good time to buy things they want and need, up 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	41	3	38	59	42	17
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 1,022 interviews in the month ending July 7, 2002 and have an error margin of plus or minus three percentage points. The result on expectations is based on 508 interviews June 26 – July 7 and has a 4.5-point error margin. 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 Dalia Sussman.

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

Media contact: Todd Polkes, (212) 456-4586

07/07/02	This	Last	4 Wks	3 Mo.	1 Yr.	12 Mo	12 Mo	12 Mo
	Week	Week	Ago	Ago	Ago	High	Low	Avg
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Group

GENERAL POPULATION:

Overall Index	-6	-6	-5	0	4	7	-13	-4
State of Economy	-20	-18	-20	-12	4	4	-38	-19
Personal Finances	20	20	20	24	26	32	12	22
Buying Climate	-18	-20	-14	-12	-16	-4	-20	-15

OVERALL INDEX BY DEMOGRAPHIC GROUPS

Sex:								
Men	-1	-2	5	6	9	11	-6	3
Women	-10	-9	-13	-5	0	6	-21	-10
Age:								
18 - 34	3	1	1	7	10	21	-8	3
35 - 44	-9	-9	-2	-3	5	9	-17	-5
45 - 54	-7	-3	2	-5	-4	6	-22	-6
55 - 64	-2	-5	-9	7	6	20	-30	-5
65 +	-17	-15	-20	-5	-1	9	-23	-12
Income:								
Under \$15K	-33	-36	-54	-43	-34	-23	-54	-41
\$15K To \$24.9K	-25	-28	-40	-31	-31	-14	-44	-26
\$25K To \$39.9K	-17	-20	-11	1	-8	11	-24	-9
\$40K To \$49.9K	5	6	4	3	-5	15	-14	3
Over \$50K	15	22	28	27	37	37	3	21
Region:								
Northeast	-10	-4	-14	-3	7	9	-18	-5
Midwest	-16	-15	2	-4	4	13	-16	-3
South	4	-1	-2	1	6	8	-13	-2
West	-7	-4	-6	7	0	8	-21	-5
Race:								
White	-1	0	-1	5	10	12	-8	1
Black	-33	-31	-35	-26	-26	-8	-51	-32
Politics:								
Republican	14	14	16	31	24	34	5	20
Democrat	-17	-14	-22	-15	-3	2	-29	-16
Independent	-9	-11	-6	-4	-2	4	-19	-7
Education:								
< High School	-32	-35	-35	-15	-28	-12	-49	-32
High Sch. Grad.	-7	-4	-11	-9	-6	6	-18	-8
College +	4	3	11	12	20	23	-5	8
Home:								
Own	-3	-1	3	7	12	16	-10	2
Rent	-12	-16	-25	-18	-18	-6	-28	-18
Marital Status:								
Single	-5	-6	2	-5	14	15	-19	-2
Married	0	1	0	7	7	12	-7	2
Sep/Wid/Div	-24	-24	-25	-19	-18	-10	-42	-24
Employ. Status:								
Full-Time	1	2	7	12	13	19	-4	6
Part-Time	-4	0	-5	0	5	14	-15	-4
Not Employed	-16	-18	-20	-15	-9	-5	-28	-17

1. Do you think the nation's economy is getting better, getting worse or staying the same?

	Getting Better	Getting Worse	Staying the Same	No Opinion
7/7/02	22	37	41	0
6/9/02	27	29	43	1
5/12/02	35	27	38	0
4/14/02	34	26	40	0

3/17/02	47	20	32	1
2/17/02	29	27	42	2
1/20/02	25	36	39	1
12/9/01	24	37	38	1
11/11/01	16	48	36	1
10/14/01	15	46	39	0
9/16/01	9	44	46	1
8/12/01	16	46	38	0
7/15/01	13	40	46	0
6/17/01	17	45	38	1
5/20/01	13	47	39	0
4/22/01	12	44	44	0
3/25/01	13	49	37	1
2/11/01	13	45	41	1
1/14/01	12	40	47	1
7/09/00	21	28	50	0
9/12/99	21	23	56	1
5/23/99	24	26	49	1
1/31/99	28	21	50	0
1/03/99	29	21	47	2

Call for full trend.

END