

SURVEY#: 507 DATE: 2/06/96 TO 9/09/99 #INT: 1 GEN USA
ABC NEWS/MONEY CONSUMER INDEX - 7/7/96

EMBARGOED FOR RELEASE AFTER 6:30 p.m. Wednesday, July 10, 1996

CONFIDENCE EXTENDS ITS RALLY

Consumer confidence skipped farther ahead this week, extending a nearly two-month rally that's boosted it to its best level of the decade.

In its fifth advance in seven weeks, the ABC News/Money magazine Consumer Comfort Index gained one point to -7 on its scale of +100 to -100. That's its highest since Sept. 10, 1989, well before confidence tumbled at the start of the 1990-91 recession.

Improved ratings of personal finances have led the recovery: Six Americans in 10 now say theirs are O.K., the most in more than a year. Views of the economy and buying climate also are up, though they're not nearly as cheery.

Expectations for the future also somewhat are brighter: Sixty-one percent now think the economy is holding steady or improving, up a bit from 55 percent two months ago.

HISTORY - 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 struggled in the first half of this year.

Three weeks ago, though, the index regained -9 for just the fourth time since the recession began, and last week it passed that crucial benchmark, rising to -8. This week's rise further consolidated the advance.

These gains could be mainly seasonal - the index often rises in June or early July (it's done so in nine of the last 11 years). In any case, confidence clearly is better now than it's been in a long while.

	ABC/Money Index
Today	-7
1996 average	-14
1995	-15
1994	-19
1993	-37
1992	-44
1990-93	-39
1986-90	-9

INDICES - This week 60 percent of Americans say their own finances are in good shape, the most since mid-June 1995. That's way over its average in the early 1990s - and even better its the pre-recession average, 57 percent positive from 1986-90.

As usual, the other gauges are much more negative: Fifty-nine percent call it a

bad time to buy things - a majority, but tied for the least since September 1989, and also better than the pre-recession average. And 61 percent say the economy is in bad shape - again a majority, but less than it's been.

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

GROUPS - Confidence lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is +7 among men but -18 among women; +31 in higher-income households but -48 in the lowest; -2 among whites but -39 among blacks; and +11 among people who have attended college but -36 among high school dropouts.

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

NATIONAL ECONOMY- Sixty-one percent rate the economy negatively, down one point this week. It's averaged 64 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 - Sixty percent rate their finances positively, up one. 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 - Fifty-nine percent call this a bad time to buy things, unchanged. It's averaged 63 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	61% neg	60% pos	59% neg
1996 Average	64% neg	57% pos	63% 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 (1986-1995)	69% neg	54% pos	66% neg
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 1,059 interviews in the month ending July 7 and have an error margin of plus or minus 3.5 percentage points. The question on expectations was conducted among 534 people June 26-July 7; that result has a five-point 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.

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

07/07/96	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	-7	-8	-12	-15	-18	-7	-21	-15
State of Economy	-22	-24	-28	-24	-36	-18	-38	-30
Personal Finances	20	18	16	8	10	20	4	13
Buying Climate	-18	-18	-24	-28	-28	-18	-36	-27

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	7	4	0	-4	-4	7	-13	-3
Women	-18	-19	-21	-25	-31	-18	-33	-25
Age:								
18 - 34	-3	-6	-11	-10	-12	-3	-19	-11
35 - 44	-4	-7	-14	-16	-25	4	-26	-14
45 - 54	-22	-22	-14	-27	-24	-7	-36	-17
55 - 64	-6	-3	-12	-12	-23	-2	-40	-16
65 +	-7	-6	-5	-12	-12	-2	-34	-17
Income:								
Under \$15K	-48	-50	-58	-57	-56	-41	-61	-52
\$15K To \$24.9K	-33	-28	-12	-38	-31	-12	-48	-34
\$25K To \$39.9K	-4	-6	-14	-11	-20	-2	-29	-15
\$40K To \$49.9K	13	10	0	1	-13	21	-31	-1
Over \$50K	31	25	17	24	18	32	12	22
Region:								
Northeast	-11	-12	-23	-17	-27	-11	-34	-21
Midwest	-4	-6	2	-1	2	11	-21	-5
South	-14	-14	-11	-20	-23	-5	-25	-17
West	6	4	-14	-22	-23	6	-23	-14
Race:								
White	-2	-3	-5	-11	-14	-2	-15	-10
Black	-39	-45	-40	-44	-42	-23	-56	-41
Politics:								
Republican	2	3	6	0	-5	10	-10	-1
Democrat	-6	-12	-14	-22	-22	-6	-28	-19
Independent	-10	-11	-19	-18	-22	-10	-26	-19

Education:								
< High School	-36	-34	-39	-46	-50	-34	-53	-42
High Sch. Grad.	-20	-20	-16	-21	-28	-10	-30	-22
College +	11	9	2	1	0	11	-6	2
Home:								
Own	-3	-3	0	-9	-13	1	-15	-8
Rent	-20	-23	-35	-29	-32	-19	-37	-29
Marital Status:								
Single	-11	-12	-18	-12	-17	-1	-19	-12
Married	-2	-3	-5	-10	-14	-1	-18	-9
Sep/Wid/Div	-19	-20	-30	-34	-35	-19	-45	-36
Employ. Status:								
Full-Time	7	3	-3	-8	-9	7	-14	-5
Part-Time	-26	-23	-21	-17	-17	-4	-35	-19
Not Employed	-21	-21	-19	-24	-30	-17	-34	-27