

## **Rising Personal Incomes Keep Confidence Afloat**

Consumer confidence treaded water this week, as Americans' growing personal incomes struggled to offset somewhat less rosy views of the national economy and buying climate.

Sixty-eight percent of Americans continue to rate their own finances positively, just two points shy of the record in 14 years of weekly polls. But ratings of the national economy (71 percent positive) and buying climate (50 percent) are farther from the records they set in January, by nine and seven points respectively.

Indeed ratings of the economy last week hit their lowest in eight months, and two weeks ago ratings of the buying climate were their lowest since January 1998.

Positive ratings:	Today	Highest	Lowest	Average
National Economy	71%	80 on 1/16/00	7 on 2/9/92	40
Personal Finances	68	70 on 1/23/00	42 on 3/14/93	57
Buying Climate	50	57 on 1/16/00	20 on 11/2/90	38

**INDEX** - The ABC News/Money magazine Consumer Comfort Index, based on these ratings, stands at +26 on its scale of +100 to -100, up one point from last week. The index rose explosively in 1998 and 1999, but has lost steam since peaking at +38 on Jan.16.

Despite this retrenchment, confidence remains very high by historic standards. The index's lifetime average, depressed by recession in the early 1990s, is -10; it dipped as low as -50 in 1992 and averaged -44 that year. This year it's averaging +29.

	ABC/Money Index	
Today	+26	
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 12/85	-10	

Call the ABC News Polling Unit, ext. 2621, for a chart tracking the index over time.

**OUTLOOK** - The outlook ahead is hardly grim: In a separate question, just 28 percent of Americans think the economy is "getting worse." While that's the most since fall 1998,

it's hardly signals disaster. In 1990, as the nation fell into recession, the number who saw the economy worsening soared from 28 percent in January to 58 percent in July and on to 77 percent in October. It was the earliest indicator to signal the recession's onset.

	Economy's "getting worse"
Today	28%
October 1990	77
July 1990	58
January 1990	38

**GROUPS** - As usual, confidence is higher among better-off Americans: The index is +59 in higher-income households compared to -31 in the lowest, +42 among college graduates but -6 among high-school dropouts, +31 among whites but -6 among blacks and +35 among men compared to +17 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-one percent say excellent or good, up one point 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.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	71%	12	59	29	21	8
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, unchanged 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. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	68%	7	61	32	24	8
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? Fifty percent say excellent or good, up one point 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	50%	3	47	50	36	14
Avg. since 12/85	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 1,038 interviews in the week ending July 9 and have an error margin of plus or minus three percentage points. The question on expectations was conducted among 518 respondents June 28-July 9; that result has a 4.5-point error margin. 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 Gary Langer.

ABC News polls can be found at ABCNEWS.com on the Internet, at:

<http://abcnews.go.com/sections/politics/PollVault/PollVault.html>

07/09/00	This Week	Last Week	4 Wks Ago	3 Mo. Ago	1 Yr. Ago	12 Mo High	12 Mo Low	12 Mo Avg
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Group	-----							
GENERAL POPULATION:								
Overall Index	26	25	26	27	29	38	22	28
State of Economy	42	40	48	44	50	60	38	47
Personal Finances	36	36	30	34	28	40	28	33
Buying Climate	0	-2	0	2	8	14	-6	3
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OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	35	35	30	35	38	45	30	36
Women	17	14	21	18	18	30	11	20
Age:								
18 - 34	34	31	28	20	31	37	16	25
35 - 44	20	20	21	32	28	37	13	26
45 - 54	35	35	38	19	31	45	11	30
55 - 64	13	15	18	36	16	48	13	29
65 +	17	12	19	29	19	45	12	28
Income:								
Under \$15K	-31	-30	-27	-21	-42	-12	-42	-25
\$15K To \$24.9K	-4	-8	-2	-10	-2	26	-11	2
\$25K To \$39.9K	14	12	26	18	27	33	8	23
\$40K To \$49.9K	35	41	33	48	44	60	26	41
Over \$50K	59	56	58	66	62	68	53	60
Region:								
Northeast	23	22	34	35	26	48	17	32
Midwest	28	22	18	32	26	40	17	29
South	19	19	22	20	26	31	14	23
West	37	36	32	22	33	43	13	28
Race:								
White	31	27	31	31	34	43	25	32
Black	-6	4	9	-3	-4	25	-15	0

Politics:								
Republican	31	31	40	38	45	55	31	42
Democrat	25	17	24	31	19	38	7	26
Independent	28	31	22	18	28	32	13	22
Education:								
< High School	-6	-12	-19	-7	-18	9	-27	-11
High Sch. Grad.	18	15	18	13	15	32	8	19
College +	42	41	45	48	50	53	38	46
Home:								
Own	31	31	37	34	32	44	28	35
Rent	11	7	2	8	16	22	-3	9
Marital Status:								
Single	25	20	24	25	25	36	8	24
Married	31	30	33	30	33	44	27	34
Sep/Wid/Div	6	7	2	10	7	17	-9	7
Employ. Status:								
Full-Time	34	31	36	36	39	44	28	35
Part-Time	29	23	20	18	13	38	7	23
Not Employed	13	15	14	14	14	28	8	18

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