<u>ABC NEWS/MONEY CONSUMER INDEX - 7/12/98</u> EMBARGOED FOR RELEASE AFTER 6:30 p.m. Wednesday, July 15, 1998

Consumer Confidence Steps Back

Second thoughts about spending money pushed consumer confidence down this week, sending the ABC News/Money magazine Consumer Comfort Index to its lowest level since mid-April. It's the third retreat in a row for the weekly index.

Confidence nonetheless remains far above normal. Sixty-seven percent of Americans rate the economy positively, a huge 32 points above the 12-year average; 48 percent call it a good time to buy things, 12 points above average; and 63 percent rate their own finances positively, eight points above average.

		Positive	Ratings	
	Today	Record high	Record low	12-yr. avg.
National Economy	67%	76	7	35
Personal Finances	63	68	42	55
Buying Climate	48	54	20	36

Positive ratings of the buying climate lost three points this week, slipping under 50 percent for the first time since May 31. Ratings of personal finances lost two points, to their lowest since May 10. Views of the national economy were unchanged.

INDEX - The ABC/Money Consumer Comfort Index, based on these ratings, stands at +19 on its scale of +100 to -100, down three points this week and down from a record +29 in March. The index has averaged +22 this year, far above its previous best year, an average of +5 in 1997. Its lifetime average is -17 in weekly polls since December 1985.

Call the Polling Unit, x2621, for a chart tracking consumer confidence over time.

	ABC/Money	Index
Today	+19	
March 22	+29	Record high
1998 average (to date)	+22	
1997 average	+5	Best year
1992 average	-44	Worst year
Feb. 9, 1992	-50	Record low
Lifetime average	-17	

GROUPS - Confidence still lags in economically vulnerable groups. The index is +28 among men compared to +9 among women, +23 among whites but -5 among blacks, +65 in higher-income households but -33 in the lowest and +38 among people who've attended college but -16 among high school dropouts.

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? Sixty-seven percent of Americans say excellent or good, unchanged this week. The best was 76 percent Feb. 22; the worst, seven percent in late 1991 and early 1992.

		Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
7/5/9	98	67	10	57	33	24	9
Avg.	since 12/8	5 35	2	32	65	43	23

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-three percent say excellent or good, down two points this week. The best was 68 percent March 22; the worst, 42 percent March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
6/28/98	63	6	57	37	27	10
Avg. since 12/8	5 55	4	51	45	32	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-eight percent say excellent or good, down three points this week. The best was 54 percent March 22; the worst, 20 percent in fall 1990.

	Pos. NET	Excel.	Good	Neg. net	Not good	Poor
6/28/98	48	5	43	52	36	16
Avg. since 12/8	5 36	2	33	64	42	22

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 1,035 interviews in the month ending July 12 and have an error margin of plus or minus three percentage points. Field work by ICR Survey 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.

For details contact the ABC News Polling Unit, (212) 456-2621. ABC News polls are available on America Online (keyword "ABC Polls") and at ABCNEWS.com on the Internet.

07/12/98	Last Week						
Group							

GENERAL POPULATION: Overall Index State of Economy Personal Finances Buying Climate	26 -4	30 2	25 40 30 4	24 36 34 2	11 14 26 -6	29 52 36 8		16 28 25 -4
					DEMOGRA			
Sex:								
Men	28	33	35	32	18	39	13	26
Women	9	11	15	16	5	20	- 6	7
Age:								
18 - 34	15	19	17	20	8	29	-2	12
35 - 44	14	23	34	26	5	37	-4	16
45 - 54	29	26	23	15	4	31	2	17
55 - 64	30	28	36	27	4	47	- 5	20
65 +	10	14	18	29	35	35	-2	20
Income:	~ ~ ~	2.0	2.0	~ ~		1.0		2.0
Under \$15K	-33	-38				-18	-47	-32
\$15K To \$24.9K \$25K To \$39.9K \$40K To \$49.9K Over \$50K	-20	-19	3 21	-1 23	- 8 - 5	16 25	-34 -5	-7 13
225K IO $339.9K$	20	23 15	21 54	23 48	-5 15	∠5 54	- 5	13 32
Over \$50K	55	45	54	40 61	47	66	33	52
Region:	05	00	57	01	4/	00	55	JT
Northeast	22	25	27	26	5	30	- 4	14
Midwest	32	33	38	28	13	38	6	22
South	11	16	16	25	7	29	-6	15
West	12	15	20	14	21	40	1	14
Race:								
White	23	25	29	26	16	33	10	21
Black	-5	-4	-12	4	-16	4	-34	-14
Politics:								
Republican	36	42	42	36	26	46	16	30
Democrat	16	21	21	21	1	26	-2	13
Independent	14	14	18	18	10	30	0	13
Education:								
5	-16		-14	-19	- 8	1	-38	-16
High Sch. Grad.	8		10	16	-7	22	-7	8
College +	38	42	46	45	30	48	22	33
Home:	0.4	0.0	2.0	2.2	1.0	26	1.0	0.4
Own	24	28	32	33	18	36	12	24
Rent Marrital Status	5	5	6	-2	-7	11	-18	-2
Marital Status:	27	5.1	22	24	1 1	24	7	1 1
Single Married	27 22	31 24	23 30	24 32	11 14	34 36	-7 13	11 23
Sep/Wid/Div		24 1	2	-5	14	36 18	-22	23 -4
Employ. Status:	- 3	Ť	2	- 5	U	ΤO	- 22	-4
Full-Time	31	35	34	32	15	36	10	24
Part-Time	13	6	13	21	0	27	-5	9
Not Employed	2	8	13	13	9	25	- 8	7
	-	-			-		-	