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ABC NEWS/MONEY CONSUMER INDEX - 7/14/96

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#### CONFIDENCE STEPS BACK

Consumer confidence retreated slightly this week from the peak of its recent rally, though it remains well above its level of the last several years.

After advancing in five of seven weeks, the ABC News/Money magazine Consumer Comfort Index lost two points to -9 on its scale of +100 to -100. Last week's reading, -7, was its highest since Sept. 10, 1989.

The survey is based on a four-week rolling average of consumer views of economic conditions. Interviewing for this week's report was completed Sunday; the stock market lost more than 90 points last Thursday and Friday, but didn't begin its wilder gyrations until this week.

**TREND** - The index is based on ratings of personal finances, the national economy and the buying climate. It's averaged -14 this year and -29 since mid-1990, when it dived with the 1990-91 recession. From its start in late 1985 to mid-1990, it averaged -9.

	ABC/Money Index
Today	-9
Last week	-7
1996 average	-14
1995	-15
1994	-19
1993	-37
1992	-44
Since mid '90	-29
1990-93	-39
1986-90	-9

**INDICES** - The main change this week was a two-point drop in the number of people saying their finances are in good shape, to a still-healthy 58 percent.

As usual, the other gauges are much more negative: Fifty-nine percent call it a bad time to buy things - a majority, but unchanged for the third week at the least since September 1989. Sixty-two percent say the economy is in bad shape, up a point this week.

	Today	1990-93	1986-90
Negative on national economy	62	85	59
Negative on buying climate	59	74	61
Positive on personal finances	58	49	57

**GROUPS** - Confidence lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is +4 among men but -20 among women; +28 in higher-income households but -49 in the lowest; -6 among whites but -34 among blacks; and +10 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-two percent rate the economy negatively, up 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** - Fifty-eight percent rate their finances positively, down two points. 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	62% neg	58% 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 1,055 interviews in the month ending July 14 and have an error margin of plus or minus 3.5 percentage points.

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.

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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:

Group	This Week	Last Week	4 Wks Ago	3 Mo. Ago	1 Yr. Ago	12 Mo High	12 Mo Low	12 Mo Avg
Overall Index	-9	-7	-9	-9	-19	-7	-21	-14
State of Economy	-24	-22	-24	-18	-34	-18	-38	-30
Personal Finances	16	20	16	14	6	20	4	13
Buying Climate	-18	-18	-18	-22	-28	-18	-36	-26

OVERALL INDEX BY DEMOGRAPHIC GROUPS

Sex:

Men	4	7	5	4	-8	7	-13	-3
Women	-20	-18	-20	-19	-28	-18	-33	-25

Age:

18 - 34	-9	-3	-7	-5	-13	-3	-19	-11
35 - 44	-4	-4	-14	-5	-23	4	-26	-13
45 - 54	-20	-22	-11	-21	-19	-7	-36	-17
55 - 64	-17	-6	-10	-13	-27	-2	-40	-16
65 +	1	-7	-2	-2	-20	1	-34	-17

Income:

Under \$15K	-49	-48	-57	-50	-59	-41	-61	-51
\$15K To \$24.9K	-40	-33	-15	-35	-29	-12	-48	-34
\$25K To \$39.9K	-2	-4	-11	-5	-25	-2	-29	-15
\$40K To \$49.9K	11	13	9	11	-10	21	-31	-1
Over \$50K	28	31	20	25	20	32	12	22

Region:

Northeast	-11	-11	-15	-15	-27	-11	-34	-21
Midwest	-7	-4	0	8	0	11	-21	-6
South	-13	-14	-11	-12	-24	-5	-25	-16
West	-1	6	-5	-13	-23	6	-23	-13

Race:

White	-6	-2	-2	-4	-13	-2	-15	-10
Black	-34	-39	-43	-41	-46	-23	-56	-41

Politics:

Republican	6	2	10	9	-8	10	-10	0
Democrat	-13	-6	-13	-12	-21	-6	-28	-19
Independent	-16	-10	-11	-14	-22	-10	-26	-18

Education:

< High School	-36	-36	-35	-39	-52	-34	-53	-42
High Sch. Grad.	-22	-20	-17	-10	-30	-10	-30	-22
College +	10	11	9	5	0	11	-6	2

Home:

Own	-4	-3	1	-3	-15	1	-15	-8
Rent	-23	-20	-29	-22	-29	-19	-37	-29

Marital Status:

Single	-16	-11	-14	-4	-17	-1	-19	-12
Married	-3	-2	-1	-3	-15	-1	-18	-9
Sep/Wid/Div	-19	-19	-28	-32	-38	-19	-45	-36

Employ. Status:

Full-Time	2	7	2	2	-10	7	-14	-5
Part-Time	-21	-26	-25	-19	-24	-4	-35	-19
Not Employed	-18	-21	-19	-17	-29	-17	-34	-26