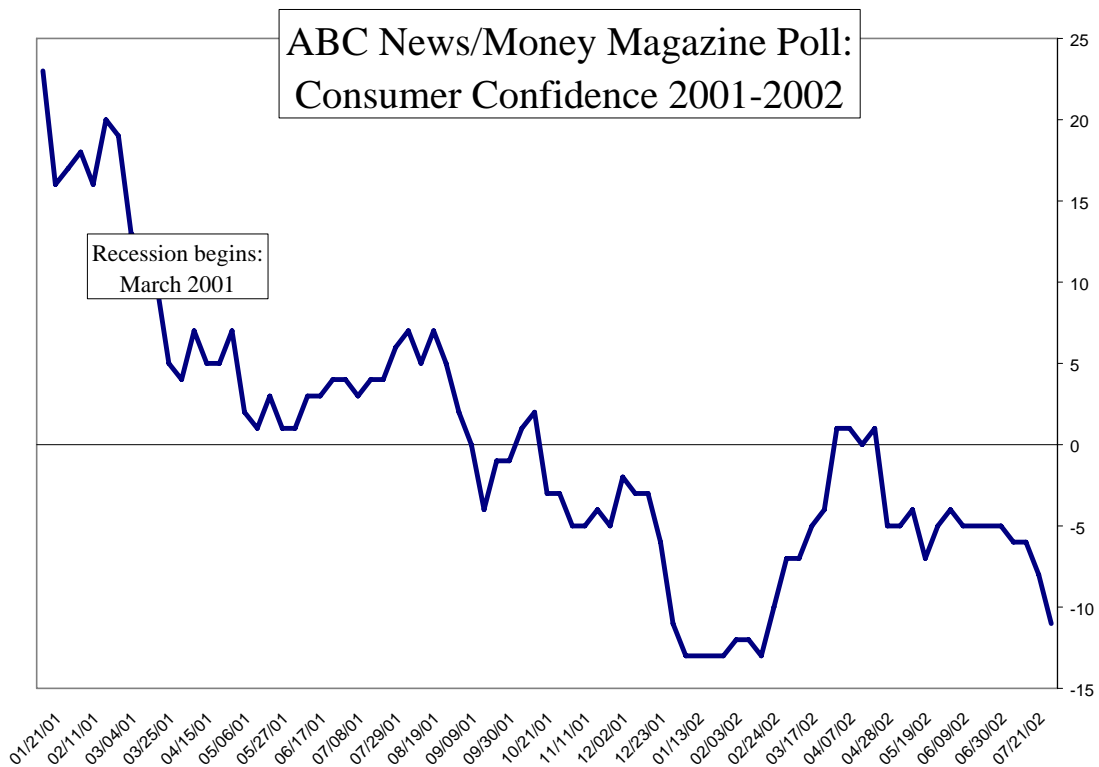


## **Confidence Takes a Hit, Drops Near its 2002 Low**

Consumer confidence took a hit this week, falling under the cumulative weight of corporate scandals and the declining stock market to its lowest point since early February, and near its lowest of the year.

The ABC News/Money magazine Consumer Comfort Index, measuring current economic sentiment, stands at -11 on its scale of +100 to -100, down three points from last week and down five points the last two weeks.

Confidence had improved through early spring, advancing into positive territory in March and April, before sustaining a steep one-week decline April 21. It then held remarkably steady in the face of more corporate scandals and the declining market – until this month. First, consumer pessimism for the future economy worsened (see ABC/Money report of July 9); now, views of current conditions have slid as well.



Today, just 36 percent of Americans rate the economy positively, down nine points from its peak in March. Thirty-nine percent call it a good time to buy things, down six points from this year's high to its lowest since May 2001; and 59 percent say their own finances are in good shape, four points off its peak this year.

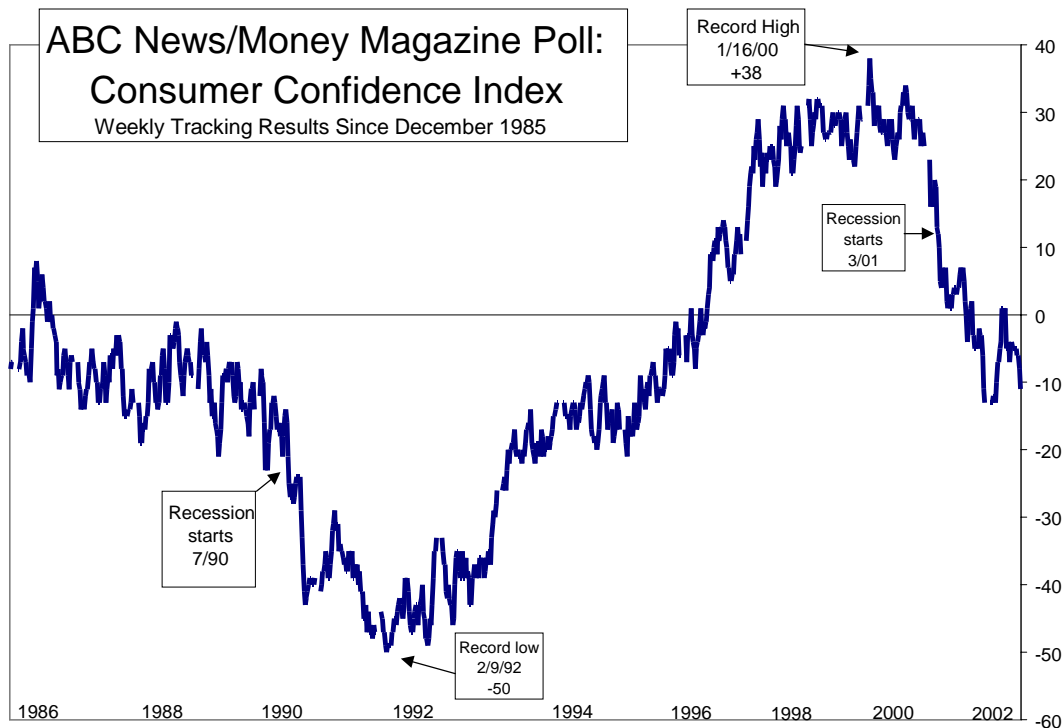
Still, the ratings are far from bottom. Each individual gauge is within five points of its 16-year average, and is well above its all-time low.

ABC News/Money magazine poll				
Positive ratings of:	This week	2002 High	2002 Low	16-yr. avg.
National economy	36%	45	31	41
Buying climate	39	45	39	39
Personal finances	59	63	56	57
Consumer Comfort Index	-11	+1	-13	-8

**TREND** – After starting the year at -13, the ABC/Money index has not been that low since February. It rose to +1 in March and mid-April, then fell to -5 in late April and held steady between -4 and -7 until last week.

The index's all-time high was +38 in January 2000; its record low, -50 in February 1992. Its lifetime average in weekly polls since December 1985 is -8.

ABC/Money Index		
Today	-11	
Last week	- 8	
Two weeks ago	- 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 +2 in higher-income households compared to -44 in the lowest, 0 among college graduates while -24 among high-school dropouts, -6 among whites but -44 among blacks and -5 among men while -16 among women.

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

**NATIONAL ECONOMY** – Thirty-six 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.

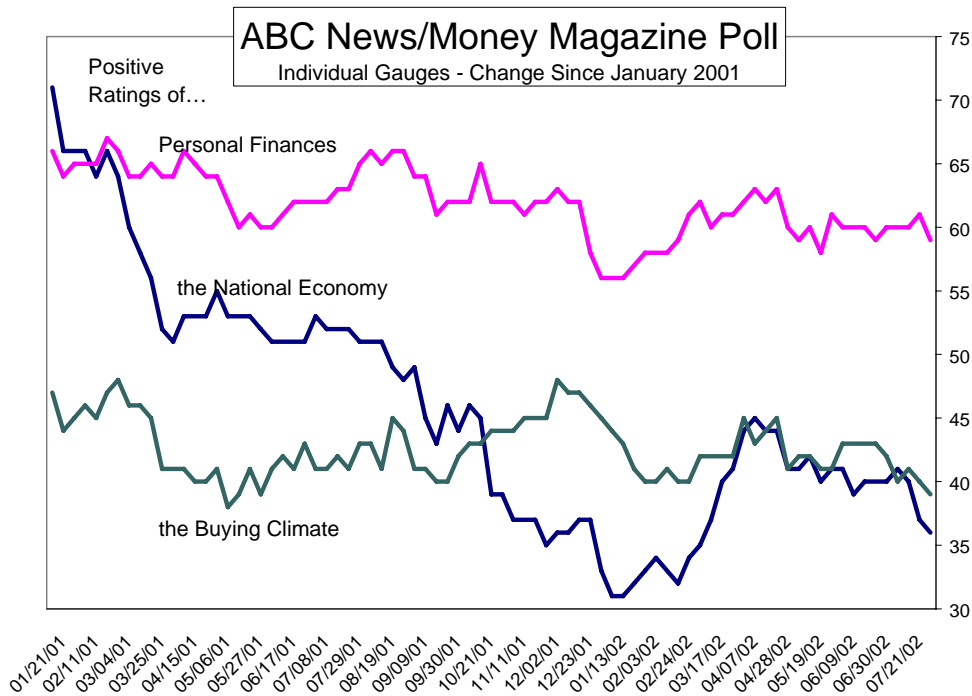
	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	36	1	35	64	45	19
Avg. since 12/85	41	4	38	59	39	19

**PERSONAL FINANCES** – Fifty-nine percent rate their own finances as excellent or good, down two points 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	59	5	54	41	29	12
Avg. since 12/85	57	5	53	43	30	12

**BUYING CLIMATE** – Thirty-nine say it's an excellent or good time to buy things they want and need, down 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	39	3	36	61	44	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 1,010 interviews in the month ending July 21, 2002 and have an error margin of plus or minus three percentage points. 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>

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07/21/02	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	-11	-8	-5	-5	6	7	-13	-4
State of Economy	-28	-26	-20	-18	2	2	-38	-20
Personal Finances	18	22	20	20	30	32	12	22
Buying Climate	-22	-20	-16	-18	-14	-4	-21	-15
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OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	-5	-2	1	3	9	11	-6	2
Women	-16	-13	-11	-12	3	6	-21	-10
Age:								
18 - 34	-7	-4	-3	7	21	21	-8	3
35 - 44	-7	-1	-4	-17	-2	9	-17	-5
45 - 54	-13	-8	1	-9	-7	6	-22	-6
55 - 64	-8	-6	-6	1	9	20	-30	-5
65 +	-19	-21	-16	-11	0	9	-23	-13
Income:								
Under \$15K	-44	-49	-40	-46	-29	-23	-54	-42
\$15K To \$24.9K	-25	-19	-33	-29	-21	-14	-44	-26
\$25K To \$39.9K	-12	-9	-20	-8	-7	11	-24	-9
\$40K To \$49.9K	7	12	4	5	4	15	-14	3
Over \$50K	2	8	25	20	34	37	2	20
Region:								
Northeast	-16	-8	-5	2	8	9	-18	-6
Midwest	-18	-15	-11	-9	6	13	-18	-4
South	-7	-6	-3	-4	8	8	-13	-3
West	-4	-3	-3	-9	-1	8	-21	-5
Race:								
White	-6	-3	-1	0	11	12	-8	1
Black	-44	-41	-40	-32	-24	-8	-51	-33

Politics:								
Republican	11	12	15	27	21	34	5	19
Democrat	-25	-20	-18	-18	2	2	-29	-17
Independent	-13	-11	-10	-9	3	4	-19	-7
Education:								
< High School	-24	-25	-38	-31	-28	-12	-49	-31
High Sch. Grad.	-20	-16	-11	-8	-3	6	-20	-8
College +	0	3	9	6	21	23	-5	7
Home:								
Own	-7	-5	0	3	14	16	-10	1
Rent	-19	-14	-19	-26	-16	-6	-28	-18
Marital Status:								
Single	-12	-13	-11	-4	15	15	-19	-3
Married	-6	-1	2	-2	6	12	-7	1
Sep/Wid/Div	-24	-25	-21	-17	-10	-10	-42	-25
Employ. Status:								
Full-Time	-5	-1	3	4	14	19	-5	6
Part-Time	-14	-8	-6	-5	2	14	-15	-5
Not Employed	-19	-19	-19	-18	-6	-5	-28	-17

\*\*\*END\*\*\*