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ABC NEWS/MONEY CONSUMER INDEX - 7/21/96

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CONFIDENCE STEADY  
DESPITE THE MARKET

Consumer confidence shook off the stock market's recent gyrations and held steady this week, maintaining its pre-1990s levels for the sixth week in a row in ABC News/Money magazine polling.

The ABC/Money Consumer Comfort Index was unchanged at -9 on its scale of +100 to -100, well above its average of -29 since mid-1990, when it dived at the start of the 1990-91 recession.

Only lately has confidence regained and held its pre-recession levels. The index averaged -9 from 1986 to mid-1990; now it's been -9 or better for six weeks straight. It hit -7 two weeks ago, its best since Sept. 10, 1989.

TREND - The index is based on ratings of personal finances, the national economy and the buying climate. Lifted by its recent showing, it's averaged -13 this year, its best since it managed -11 for all of 1989.

|               | ABC/Money Index |
|---------------|-----------------|
| Today         | -9              |
| 1996 average  | -13             |
| 1995          | -15             |
| 1994          | -19             |
| 1993          | -37             |
| 1992          | -44             |
| 1991          | -37             |
| 1990          | -24             |
| 1989          | -11             |
| Since mid-'90 | -29             |
| 1990-93       | -39             |
| 1986-90       | -9              |

INDICES - The only sign of potential trouble is a one-point drop in the number of people who rate their finances positively, following a two-point decline last week. Still, 57 percent still say their finances are in good shape.

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 fourth week at the least since September 1989. Sixty-one percent say the economy is in bad shape, down a point this week.

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

GROUPS - Confidence lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is +2 among men but -20 among

women; +27 in higher-income households but -53 in the lowest; -6 among whites but -38 among blacks; and +9 among people who have attended college but -36 among high school dropouts.

WORRY - Though confidence in current economic conditions is up, an additional question this week shows that many Americans remain worried about their economic future: Fifty percent said they are not confident they'll have enough income and assets to live on after retirement.

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 - Fifty-seven percent rate their finances positively, down one point. 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<br>Economy | Personal<br>Finances | Buying<br>Climate |
|--|---------------------|----------------------|-------------------|
| This week                                | 61% neg             | 57% pos              | 59% neg           |
| 1996 Average                             | 64% neg             | 57% pos              | 63% neg           |
| Recession Average<br>(mid-1990 to 1993)  | 85% neg             | 51% neg              | 74% neg           |
| Pre-Recession Avg.<br>(1986 to mid-1990) | 59% neg             | 57% pos              | 61% neg           |
| Full Average<br>(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 1,077 interviews in the month ending July 21 and have an error margin of plus or minus 3.5 percentage points. The question on retirement income was conducted July 10-21 among 543 respondents; 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.

| 07/21/96                            | 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                       | -9        | -9        | -9        | -11       | -18       | -7         | -21       | -14       |
| State of Economy                    | -22       | -24       | -24       | -24       | -32       | -18        | -38       | -29       |
| Personal Finances                   | 14        | 16        | 16        | 14        | 6         | 20         | 4         | 13        |
| Buying Climate                      | -18       | -18       | -20       | -24       | -28       | -18        | -36       | -26       |
| -----                               |           |           |           |           |           |            |           |           |
| OVERALL INDEX BY DEMOGRAPHIC GROUPS |           |           |           |           |           |            |           |           |
| Sex:                                |           |           |           |           |           |            |           |           |
| Men                                 | 2         | 4         | 5         | 0         | -8        | 7          | -13       | -2        |
| Women                               | -20       | -20       | -22       | -20       | -27       | -18        | -33       | -24       |
| Age:                                |           |           |           |           |           |            |           |           |
| 18 - 34                             | -12       | -9        | -9        | -13       | -13       | -3         | -19       | -11       |
| 35 - 44                             | -3        | -4        | -14       | -7        | -24       | 4          | -26       | -13       |
| 45 - 54                             | -19       | -20       | -14       | -12       | -13       | -7         | -36       | -17       |
| 55 - 64                             | -24       | -17       | -5        | -9        | -19       | -2         | -40       | -16       |
| 65 +                                | 9         | 1         | -8        | -11       | -21       | 9          | -34       | -17       |
| Income:                             |           |           |           |           |           |            |           |           |
| Under \$15K                         | -53       | -49       | -57       | -48       | -59       | -41        | -61       | -51       |
| \$15K To \$24.9K                    | -37       | -40       | -24       | -33       | -35       | -12        | -48       | -34       |
| \$25K To \$39.9K                    | -9        | -2        | -13       | -12       | -24       | -2         | -29       | -15       |
| \$40K To \$49.9K                    | 11        | 11        | 12        | 21        | 1         | 21         | -31       | 0         |
| Over \$50K                          | 27        | 28        | 23        | 21        | 16        | 32         | 12        | 22        |
| Region:                             |           |           |           |           |           |            |           |           |
| Northeast                           | -14       | -11       | -15       | -17       | -19       | -11        | -34       | -20       |
| Midwest                             | 2         | -7        | -4        | 5         | -5        | 11         | -21       | -6        |
| South                               | -14       | -13       | -13       | -13       | -25       | -5         | -25       | -16       |
| West                                | -9        | -1        | -5        | -19       | -19       | 6          | -22       | -13       |
| Race:                               |           |           |           |           |           |            |           |           |
| White                               | -6        | -6        | -3        | -5        | -11       | -2         | -15       | -10       |
| Black                               | -38       | -34       | -44       | -47       | -44       | -23        | -56       | -41       |
| Politics:                           |           |           |           |           |           |            |           |           |
| Republican                          | 6         | 6         | 7         | 5         | -9        | 10         | -10       | 0         |
| Democrat                            | -10       | -13       | -14       | -12       | -23       | -6         | -28       | -18       |
| Independent                         | -18       | -16       | -15       | -18       | -16       | -10        | -26       | -18       |
| Education:                          |           |           |           |           |           |            |           |           |
| < High School                       | -36       | -36       | -38       | -41       | -52       | -34        | -53       | -42       |
| High Sch. Grad.                     | -21       | -22       | -19       | -15       | -26       | -10        | -30       | -22       |
| College +                           | 9         | 10        | 9         | 4         | 0         | 11         | -6        | 3         |
| Home:                               |           |           |           |           |           |            |           |           |
| Own                                 | -5        | -4        | -1        | -5        | -13       | 1          | -15       | -8        |

|                 |     |     |     |     |     |     |     |     |
|-----------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Rent            | -24 | -23 | -30 | -27 | -33 | -19 | -37 | -29 |
| Marital Status: |     |     |     |     |     |     |     |     |
| Single          | -19 | -16 | -13 | -13 | -18 | -1  | -19 | -12 |
| Married         | -4  | -3  | -4  | -5  | -13 | -1  | -18 | -9  |
| Sep/Wid/Div     | -18 | -19 | -26 | -33 | -39 | -18 | -45 | -35 |
| Employ. Status: |     |     |     |     |     |     |     |     |
| Full-Time       | -2  | 2   | 3   | 0   | -10 | 7   | -14 | -5  |
| Part-Time       | -21 | -21 | -28 | -12 | -27 | -4  | -35 | -19 |
| Not Employed    | -16 | -18 | -23 | -24 | -25 | -16 | -34 | -26 |