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ABC NEWS/MONEY CONSUMER INDEX - 7/28/96

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CONFIDENCE SLIPS

Consumer confidence slipped this week to its worst since early June, though it remains well above its average for the 1990s, the latest ABC News/Money magazine survey has found.

The ABC/Money Consumer Comfort Index retreated to -11 on its scale of +100 to -100, down from a nearly seven-year high of -7 on July 7. This is the first week since early June it's fallen below its pre-recession average of -9.

Despite this week's slip, the strong summer has lifted the index's average for the year to -13, its best since 1989. That compares to an average of -29 since mid-1990, when it dived at the start of the 1990-91 recession.

	ABC/Money Index
Today	-11
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 index is based on ratings of personal finances, the national economy and the buying climate. In the only positive gauge, 56 percent say their finances are in good shape - but that's down four points in three weeks.

As usual, the other gauges are much more negative: Sixty-one percent call it a bad time to buy things - up two points this week - and 62 percent rate the national economy negatively, up one point. Still, these numbers are much better than they've been lately, especially in the early '90s.

	Today	1990-93	1986-90
Negative on national economy	62	85	59
Negative on buying climate	61	74	61
Positive on personal finances	56	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; +23 in higher-income households but -54 in the lowest; -8 among whites but -36 among blacks; and +5 among people who have attended college but -41 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-six 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 - Sixty-one 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	56% pos	61% 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 1,083 interviews in the month ending July 28 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.

07/28/96

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	-11	-9	-8	-12	-20	-7	-21	-14
State of Economy	-24	-22	-24	-26	-32	-18	-38	-29
Personal Finances	12	14	18	14	4	20	4	13
Buying Climate	-22	-18	-18	-24	-32	-18	-36	-26

OVERALL INDEX BY DEMOGRAPHIC GROUPS

Sex:

Men	-2	2	4	0	-11	7	-13	-2
Women	-20	-20	-19	-22	-27	-18	-33	-24

Age:

18 - 34	-19	-12	-6	-16	-14	-3	-19	-11
35 - 44	-4	-3	-7	-6	-26	4	-26	-12
45 - 54	-11	-19	-22	-10	-17	-7	-36	-17
55 - 64	-18	-24	-3	-9	-26	-2	-40	-16
65 +	0	9	-6	-10	-17	9	-34	-16

Income:

Under \$15K	-54	-53	-50	-46	-52	-41	-61	-51
\$15K To \$24.9K	-40	-37	-28	-35	-39	-12	-48	-34
\$25K To \$39.9K	-11	-9	-6	-12	-29	-2	-29	-14
\$40K To \$49.9K	9	11	10	19	-1	21	-31	0
Over \$50K	23	27	25	24	16	32	12	23

Region:

Northeast	-16	-14	-12	-18	-23	-11	-34	-20
Midwest	1	2	-6	4	-9	11	-21	-5
South	-12	-14	-14	-14	-25	-5	-25	-16
West	-20	-9	4	-18	-18	6	-22	-13

Race:

White	-8	-6	-3	-4	-13	-2	-15	-9
Black	-36	-38	-45	-51	-53	-23	-56	-41

Politics:

Republican	11	6	3	5	-10	11	-10	0
Democrat	-18	-10	-12	-13	-25	-6	-28	-18
Independent	-18	-18	-11	-20	-18	-10	-26	-18

Education:

< High School	-41	-36	-34	-37	-53	-34	-53	-42
High Sch. Grad.	-19	-21	-20	-18	-30	-10	-30	-22
College +	5	9	9	4	0	11	-6	3

Home:

Own	-7	-5	-3	-4	-13	1	-15	-8
Rent	-24	-24	-23	-30	-36	-19	-37	-29

Marital Status:

Single	-23	-19	-12	-12	-17	-1	-23	-12
Married	-5	-4	-3	-4	-15	-1	-18	-9
Sep/Wid/Div	-22	-18	-20	-38	-42	-18	-45	-35

Employ. Status:

Full-Time	-3	-2	3	0	-13	7	-14	-5
Part-Time	-21	-21	-23	-15	-34	-4	-35	-19
Not Employed	-20	-16	-21	-24	-24	-16	-34	-26