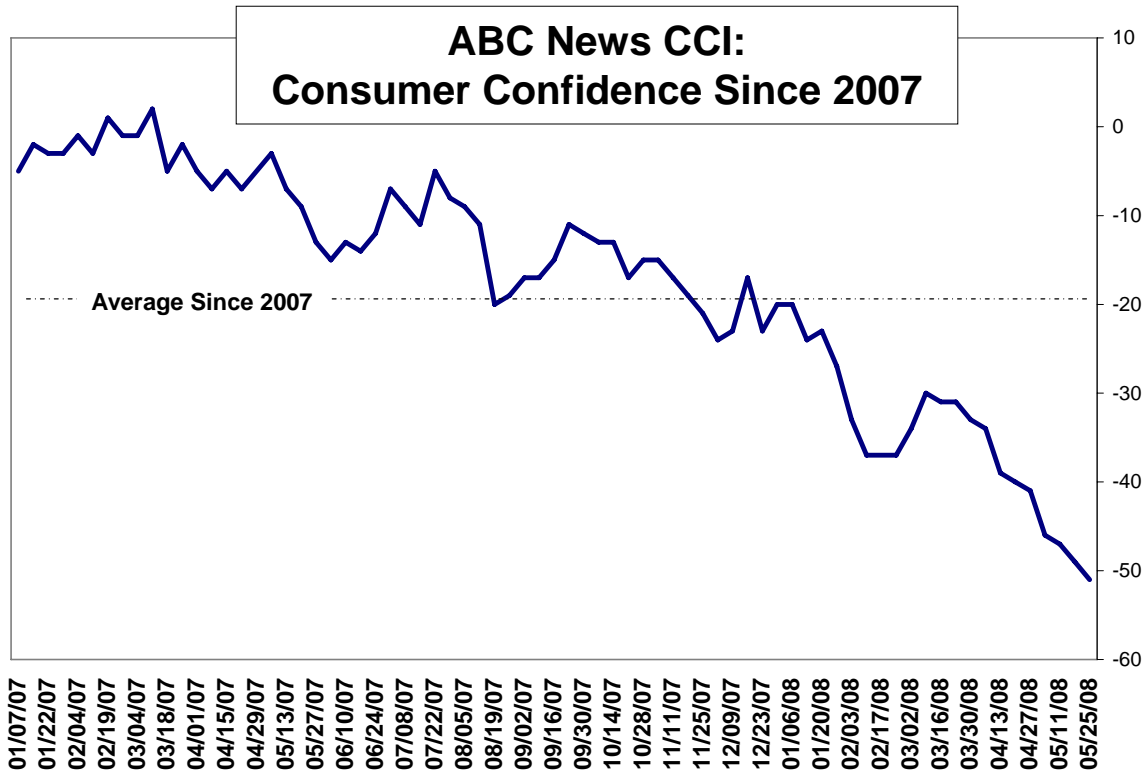


Consumer Confidence Reaches a Record Low

Pushed by soaring gasoline prices and a weakened economy, consumer confidence reached a record low this week in more than 22 years of weekly ABC News polls.

The ABC News Consumer Comfort Index stands at -51 on its scale of +100 to -100, surpassing its previous low, -50, on Feb. 9, 1992, on the heels of the 1990-91 recession. Ninety percent of Americans now rate the economy negatively, 81 percent call it a bad time to spend money and 55 percent say their own finances are hurting.

Ratings of the buying climate match their worst on record, underscoring the role of soaring gasoline prices in consumer views. Confidence has been falling since gas started climbing in January 2007; the two have correlated unusually strongly, at .79.

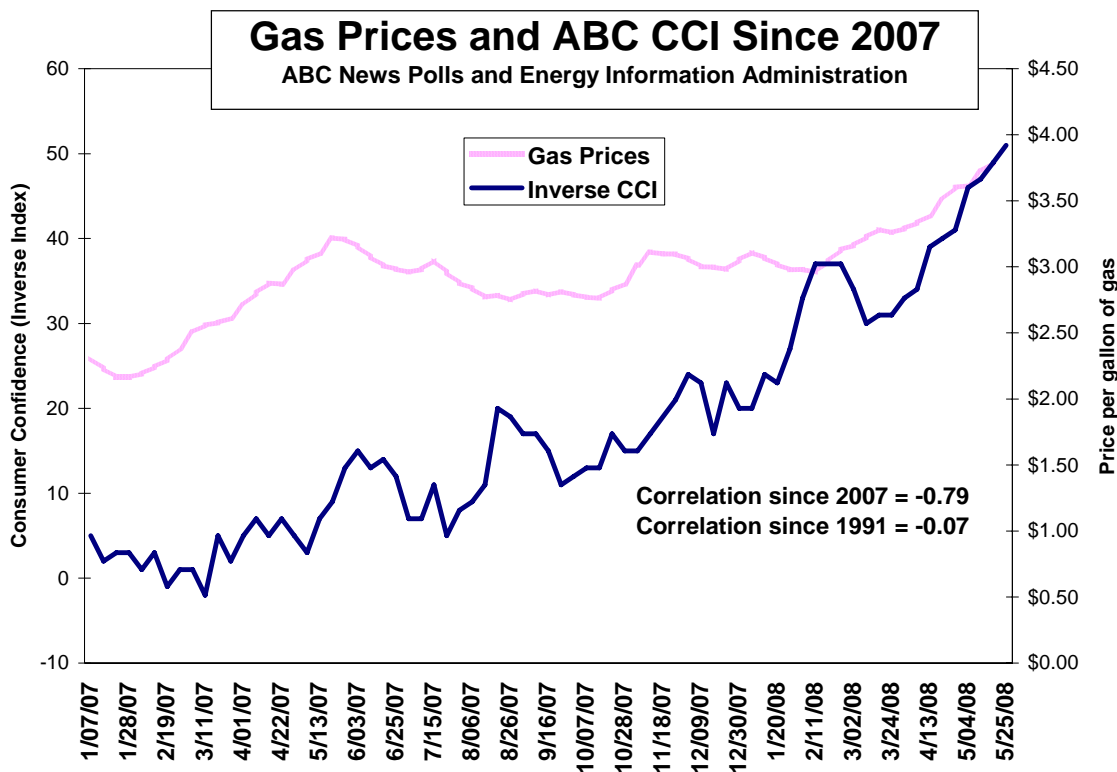


The long-term relationship between gasoline and the CCI has been far weaker – a non-significant correlation of .07; results over time show that gas prices impact confidence only when they're rising sharply. That's particularly so now, with gas averaging a record \$3.94 per gallon nationally, and considerably higher in some locales.

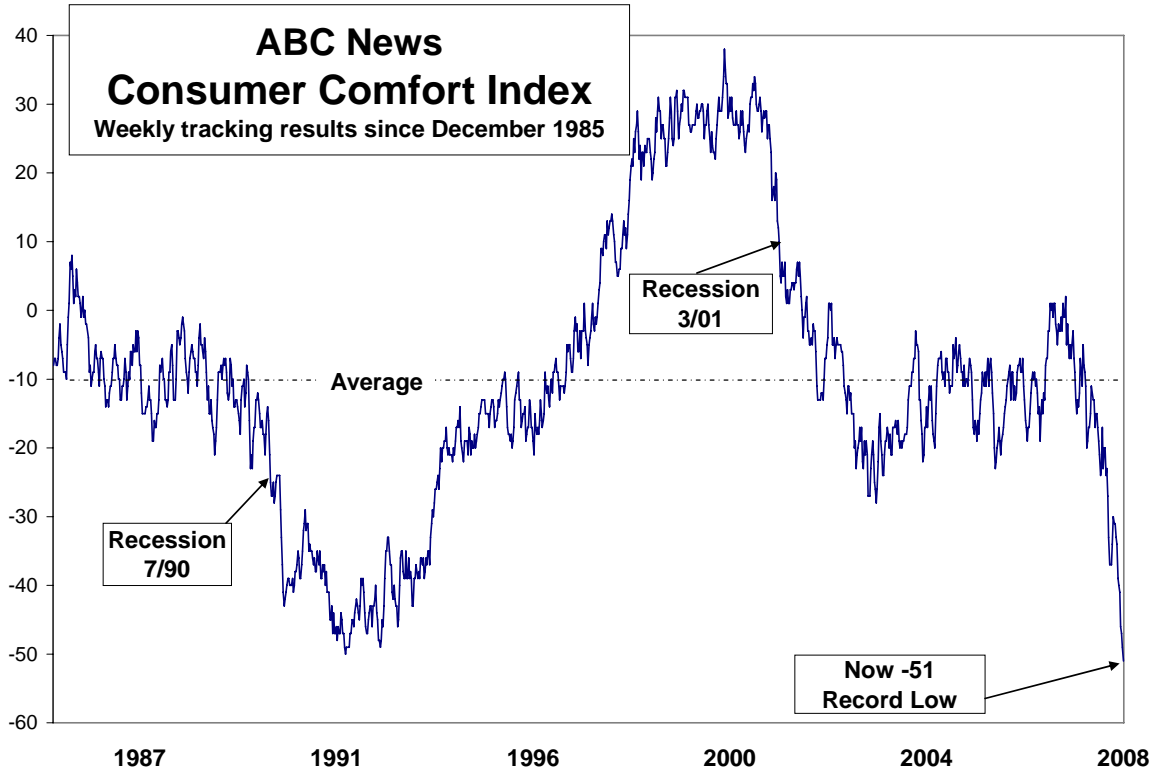
Economic complaints at the time the CCI hit its last low in 1992 were far different from today's. Gas then cost \$1.00 a gallon; in inflation-adjusted terms that would be \$1.54 today. Overall inflation was lower – 2.8 percent in the first quarter of 1992, compared with 3.9 percent in Q1 this year.

There are other concerns. The Case-Shiller Home Price Index is its lowest in its 20-year history – 14.1 percent below its level a year ago, compared with 1.18 percent higher in February 1992. On the other hand, unemployment was much higher in early 1992, 7.4 percent, compared with today's 5 percent. Different times have different troubles.

	Feb. 1992	May 2008
CCI	-50 (2/9)	-51 (5/25)
Gas per gallon	\$1.54 (adjusted)	\$3.79 (5/19)
Unemployment	7.4%	5.0%
Inflation	2.8%	3.9%
Case-Shiller housing index	1.18%	-14.1%
Personal income	4.0%	5.7%



INDEX – The ABC CCI is based on Americans' ratings of their current finances, the national economy and the buying climate. This week just 10 percent rate the national economy positively, down 21 points this year to its worst in 15 years and 3 points from the all-time low in late 1991 and early 1992.



Only 19 percent rate the buying climate positively, matching the record low set last week. This measure is down 12 points this year and 19 points off its long-term average.

As usual, more, 45 percent, rate their personal finances positively, but that's just 3 points from the record low, in March 1993. It's down 13 points this year and 12 points off its long-term average.

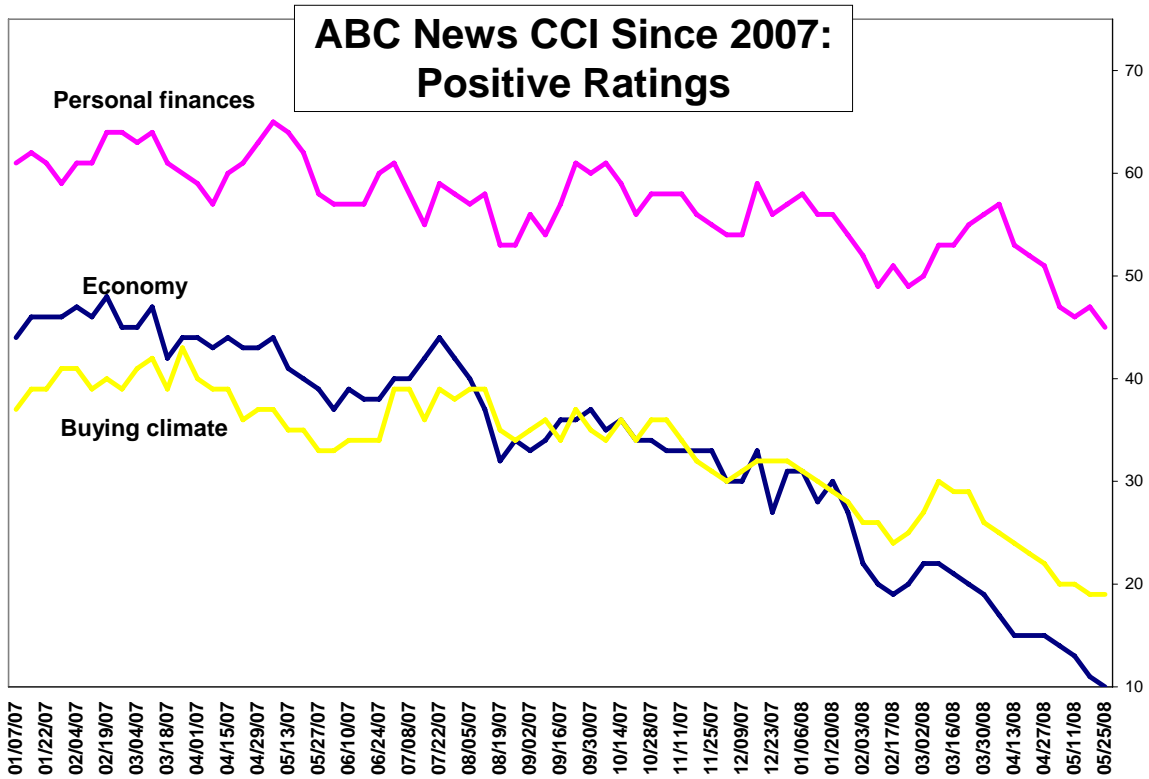
Positive ratings of:	ABC News CCI			Averages	
	This week	Last week	2008	'85-'08	
National economy	10%	11	20	40	
Buying climate	19	19	25	38	
Personal finances	45	47	52	57	
Consumer Comfort Index	-51	-49	-35	-10	

TREND – Confidence fell in each quarter last year and has steepened its dive this year, with the index losing 17 points in just the last 17 weeks. Its sustained fall has been even longer and steeper – down 53 points from March 2007 to now. In 1990 the CCI fell 29 points from June to October; in the 2000-2001 recession, 30 points from September 2000 to March 2001.

Given the sharpness of its decline, the CCI's arrival at its new low has been sudden: It's been below -40 for just five weeks straight. In February 1992 it'd been in that zone for 20 weeks.

The index is down 31 points on the year, 41 points below its long-term average and farther than ever from its record high, +38 in January 2000.

	ABC News CCI	
This week	-51	
Last week	-49	
2008 low	-51	This week
2008 high	-20	Jan. 6
2008 average	-35	
2000 average	+29	Best full year
1992 average	-44	Worst full year
Jan. 16, 2000	+38	Record high
Feb. 9, 1992	-51	Record low, this week
Average since 12/85	-10	



GROUPS – The CCI as usual is higher in better-off groups, though it's negative across the board. It's -18 among higher-income Americans while a remarkably bleak -87 among those with the lowest incomes, -43 among those who've been to college while -59 among high-school dropouts and -47 among whites but -74 among blacks. It's closer than usual among men and women, -46 and -53 respectively.

Partisan differences are sharp: The index is a relatively benign -16 among Republicans, compared with -55 among independents and -66 among Democrats. The partisan gap was as large in February 1992, though it's been bigger still, peaking at a 90-point difference in mid-2004, during another election year.

	Democrats	Republicans	Independents	Partisan gap
5/25/08	-66	-16	-55	50 points
2/9/92	-59	-34	-53	25
7/18/04	-47	+43	-10	90

Here's a closer look at the three components of the ABC News CCI:

NATIONAL ECONOMY – Ten percent of Americans rate the economy as excellent or good; it was 11 percent last week. The highest was 80 percent on Jan. 16, 2000. The lowest was 7 percent in late 1991 and early 1992.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	10	1	9	90	43	47
Avg. since 12/85	40	4	36	60	40	20

PERSONAL FINANCES – Forty-five percent say their own finances are excellent or good; it was 47 percent last week. The best was 70 percent, last reached in January 2000. The worst was 42 percent on March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	45	5	40	55	38	17
Avg. since 12/85	57	5	52	43	30	13

BUYING CLIMATE – A record-low 19 percent say it's an excellent or good time to buy things; it was 19 percent last week. The best was 57 percent on Jan. 16, 2000.

	Pos. NET	Excel.	Good	Neg. net	Not good	Poor
This week	19	2	17	81	52	29
Avg. since 12/85	38	3	35	62	41	21

METHODOLOGY – Interviews for the ABC News Consumer Comfort Index are reported in a four-week rolling average. This week's results are based on telephone interviews among a random national sample of 1,000 adults in the four weeks ending May 25, 2008. The results have a 3-point error margin. Field work by ICR-International Communications Research of Media, Pa.

The index is derived by subtracting the negative response to each index question from the positive response to that question. The three resulting numbers are 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 Scott F. Clement.

ABC News polls can be found online at <http://abcnews.com/pollingunit>.

Media contact: Cathie Levine, (212) 456-4934.

05/25/08	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	-51	-49	-41	-37	-13	-5	-27	-16
State of Economy	-80	-78	-70	-60	-22	-12	-46	-30
Personal Finances	-10	-6	2	-2	16	22	6	14
Buying Climate	-62	-62	-56	-50	-34	-22	-44	-32

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	-46	-43	-33	-25	-1	0	-19	-9
Women	-53	-53	-49	-48	-25	-6	-35	-22
Age:								
18 - 34	-52	-51	-39	-30	-6	6	-32	-11
35 - 44	-48	-46	-48	-39	-10	3	-31	-15
45 - 54	-52	-50	-41	-27	-19	2	-29	-16
55 - 64	-48	-44	-36	-48	-24	-7	-36	-19
65+	-49	-47	-41	-49	-14	-4	-37	-22
Income:								
Under \$15K	-87	-77	-74	-70	-58	-31	-70	-54
\$15K To \$24.9K	-68	-59	-66	-47	-34	-27	-58	-43
\$25K To \$39.9K	-59	-55	-47	-58	-20	-15	-49	-28
\$40K To \$49.9K	-53	-59	-49	-24	-3	7	-47	-19
Over \$50K	-34	-30	-25	-18	11	26	-9	8
\$50K To \$74.9K	-52	-54	-43	-33	1	21	-28	-7
\$75K To \$99.9K	-35	-34	-21	-7	15	25	-19	5
Over \$100K	-18	-7	-8	-8	19	49	1	27
Region:								
Northeast	-61	-55	-47	-41	-35	-4	-38	-22
Midwest	-43	-41	-46	-25	-8	-8	-30	-20
South	-46	-45	-33	-44	-14	-1	-31	-16
West	-54	-54	-44	-32	1	10	-21	-4
Race:								
White	-47	-45	-40	-36	-10	-2	-25	-12
Black	-74	-69	-54	-64	-38	-20	-54	-40
Politics:								
Republican	-16	-21	-20	-6	27	34	4	19
Democrat	-66	-64	-57	-52	-30	-15	-47	-32
Independent	-55	-50	-36	-45	-23	-8	-40	-23
Education:								
< High School	-59	-58	-57	-58	-46	-24	-57	-41
High Sch. Grad.	-58	-61	-51	-42	-21	-13	-38	-24
College +	-43	-37	-29	-24	3	13	-14	-1
Home:								
Own	-43	-43	-36	-34	-12	1	-23	-9
Rent	-67	-60	-57	-44	-17	-17	-44	-33

Marital Status:								
Single	-52	-54	-45	-40	-8	-6	-39	-18
Married	-43	-38	-33	-28	-9	4	-18	-5
Sep/Wid/Div	-65	-65	-60	-56	-30	-27	-56	-38
Employ. Status:								
Full-Time	-41	-36	-34	-26	0	10	-24	-8
Part-Time	-56	-63	-36	-39	-17	-4	-39	-16
Not Employed	-58	-56	-52	-51	-29	-7	-43	-23

END