

## Consumer Confidence Surges; Within a Whisker of its Record

Almost in defiance of the skittish stock market, consumer confidence surged this week to within a single point of its record in more than a dozen years of polling. Public views of the economy, personal finances and the buying climate all advanced.

Seventy-two percent of Americans now rate the national economy positively, more than double the 12-year average. Sixty-seven percent rate their own finances positively and 53 percent call it a good time to buy things, 12 and 17 points above average, respectively.

	Today	Positive Ratings		12-year avg.
		Record high	Record low	
National Economy	72%	76	7	35
Personal Finances	67	68	42	55
Buying Climate	53	54	20	36

**MARKET** - Last Tuesday's 300-point drop in the Dow Jones industrial average clearly did not send consumers running for cover: Positive views of personal finances and the economy each gained two points in the past week, and ratings of the buying climate gained three.

That should not be a surprise. For months, confidence has remained resolutely unimpressed either by market gyrations or by Asia's economic crisis. Americans are far more focused on continued low inflation, the lowest unemployment in a generation, and—more than anything—growing personal income.

**INDEX** - The ABC/Money Consumer Comfort Index, based on ratings of the economy, buying climate and personal finances, stands at +28 on its scale of +100 to -100, up five points this week to within a single point of its record, +29 on March 22.

It's the best year by far for consumer confidence since this survey began in December 1985. The index has averaged +22 this year, compared to an average of +5 in its previous best year, 1997, and a lifetime average of -16. One effect of this surging confidence has been to boost Bill Clinton's job approval ratings; absent war, nothing influences presidential approval as reliably as consumer confidence.

Call the ABC News Polling Unit, ext. 2621, for a chart tracking the ABC/Money index over time.

	ABC/Money Index	
Today	+28	
March 22	+29	Record high
1998 average (to date)	+22	
1997 average	+5	Best year
1992 average	-44	Worst year
Feb. 9, 1992	-50	Record low
Average since 12/85	-16	

**GROUPS** - Confidence lags in economically vulnerable groups. The index is +39 among men compared to +17 among women, +28 among whites but +15 among blacks, +60 in higher-income households but -11 in the lowest and +40 among people who've attended college compared to +14 among high school dropouts. Still, confidence is at a record high in some of these groups - including blacks, low-income Americans and those who haven't finished high school.

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

**NATIONAL ECONOMY**- The poll asks: Would you describe the state of the nation's economy these days as excellent, good, not so good or poor? Seventy-two percent say excellent or good, up two points this week. The best was 76 percent Feb. 22; the worst, seven percent in late 1991 and early 1992.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	72	10	62	28	20	8
Avg. since 12/85	35	2	33	65	43	22

**PERSONAL FINANCES** - The poll asks: Would you describe the state of your own personal finances these days as excellent, good, not so good or poor? Sixty-seven percent say excellent or good, up two points this week. The best was 68 percent March 22; the worst, 42 percent March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	67	6	61	33	25	8
Avg. since 12/85	55	4	51	45	32	13

**BUYING CLIMATE** - The poll asks: Considering the cost of things today and your own personal finances, would you say now is an excellent time, a good time, a not so good time or a poor time to buy the things you want and need? Fifty-three percent say excellent or good, up three points this week. The best was 54 percent March 22; the worst, 20 percent in fall 1990.

	Pos. NET	Excel.	Good	Neg. net	Not good	Poor
This week	53	3	48	47	34	13
Avg. since 12/85	36	2	33	64	42	22

**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. This week's results are based on 1,020 interviews in the month

ending Aug. 9 and have an error margin of plus or minus three percentage points. Field work by ICR Survey 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 Gary Langer.

ABC News polls are available at ABCNEWS.com on the Internet, at the World Wide Web address [http://www.abcnews.com/sections/us/polnation\\_poll/index.html](http://www.abcnews.com/sections/us/polnation_poll/index.html); and on America Online (keyword "ABC Polls").

08/09/98	This Week	Last Week	4 Wks Ago	3 Mo. Ago	1 Yr. Ago	12 Mo High	12 Mo Low	12 Mo Avg
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Group	-----							
GENERAL POPULATION:								
Overall Index	28	23	19	21	11	29	5	17
State of Economy	44	40	34	36	22	52	8	30
Personal Finances	34	30	26	26	24	36	14	25
Buying Climate	6	0	-4	2	-14	8	-14	-3
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OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	39	34	28	35	20	39	13	27
Women	17	12	9	8	3	20	-6	8
Age:								
18 - 34	24	22	15	20	10	29	-2	13
35 - 44	21	11	14	18	-3	37	-4	17
45 - 54	24	21	29	18	16	31	2	18
55 - 64	40	44	30	24	13	47	-5	23
65 +	35	24	10	31	22	35	-2	20
Income:								
Under \$15K	-11	-13	-33	-36	-28	-11	-47	-31
\$15K To \$24.9K	6	-3	-20	6	-30	16	-34	-6
\$25K To \$39.9K	16	16	18	17	13	25	0	15
\$40K To \$49.9K	35	36	33	34	24	54	6	33
Over \$50K	60	59	65	57	40	66	33	52
Region:								
Northeast	37	35	22	18	12	37	-4	15
Midwest	30	26	32	23	15	38	6	23
South	16	12	11	23	14	29	-6	15
West	34	26	12	18	1	40	1	15
Race:								
White	28	26	23	26	17	33	10	22
Black	15	7	-5	-8	-3	15	-34	-13
Politics:								
Republican	34	34	36	39	28	46	16	31
Democrat	35	32	16	20	7	35	-2	15
Independent	18	11	14	17	2	30	0	13
Education:								
< High School	14	1	-16	-11	-17	14	-38	-16
High Sch. Grad.	15	11	8	14	3	22	-4	9
College +	40	38	38	36	25	48	22	34
Home:								
Own	33	27	24	28	16	36	12	25
Rent	12	10	5	4	-5	12	-18	-1
Marital Status:								
Single	23	14	27	19	12	34	-7	12

Married	34	33	22	27	16	36	13	24
Sep/Wid/Div	8	-4	-3	5	-7	18	-22	-4
Employ. Status:								
Full-Time	31	27	31	28	17	36	10	25
Part-Time	23	15	13	17	7	27	-5	10
Not Employed	23	18	2	11	5	25	-8	8