

Ratings of the Economy Slip To Their Lowest in Four Years

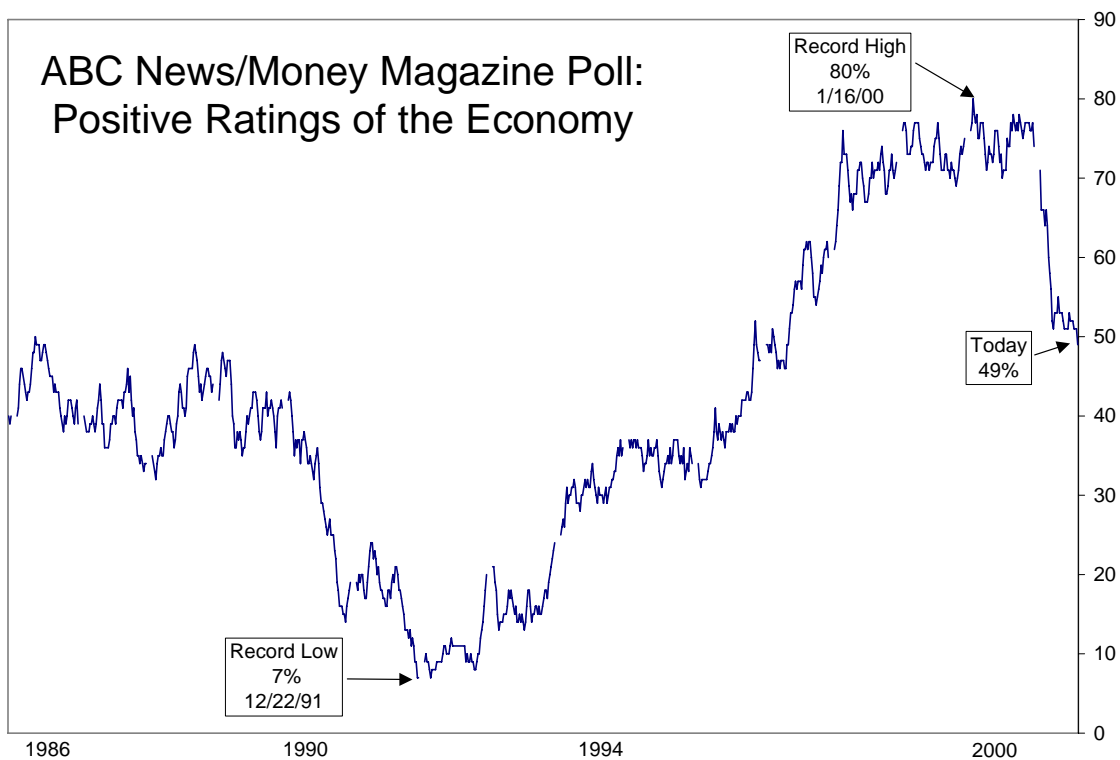
Public ratings of the national economy fell below an important benchmark this week: For the first time in more than four years, most Americans say it's in bad shape.

Fifty-one percent now call the economy "not so good" or "poor," a majority for the first time since May 1997. It's been in a steep decline: Positive ratings of the economy have dived by 22 points this year and by 31 points since January 2000.

Optimism for the future is in short supply, as well: Forty-six percent say the economy is getting worse, about the average all this year. Just 16 percent think it's improving. (On the other hand, in 1990 a record 77 percent said the economy was worsening.)

These views are balanced, moreover, by stable prices and higher incomes. Forty-five percent say it's a good time to buy things – up four points this week and the most since March (lower fuel prices may be helping). And 66 percent say their own finances are in good shape, just four points off the record high in more than 15 years of weekly polls.

	ABC News/Money Magazine Poll			
Positive ratings of:	Recent trend	Recent trend	Record high	15-year average
National economy	8/12/01	1/7/01	1/16/00	42
Buying climate	49%	71	80	42
Personal finances	45	47	57	38
	66	66	70	57



BEEN WORSE – While a 51-percent negative rating for the economy is hardly good news, it needs some context: It's still 7 points better than the 15-year average. And it's vastly better than the all-time worst rating, 93 percent negative, in late 1991 and early 1992.

The ABC News/Money Magazine Consumer Comfort Index, based on ratings of the economy, personal finances and the buying climate, now stands at +7. It's up from +1 in May but well down from +23 at the start of the year and its record +38 in January 2000.

Nevertheless, it's still above its average of -8 since this poll began in late 1985, and much better than its all time low of -50 in February 1992.

TREND – The index fell seven points in one week in January (tying the one-week record), six points in one week in February, five points in one week in March and another five points in one week in April. It then lay in a slump through mid-July, hovering between +1 and +4. The index inched up a month ago and has now been above +4 for the last four weeks.

	ABC/Money	Index	
Today		+7	
May 27		+1	
Jan. 7		+23	
Jan. 16, 2000	+38		Record high
2000 average	+29		Best full year
1992 average	-44		Worst full year
Feb. 9, 1992	-50		Record low
Average since 12/85	-8		

GROUPS – As usual, confidence is higher among better-off Americans. The index is +34 in higher-income households compared to -41 in the lowest, +19 among college graduates while -35 among high-school dropouts, +9 among whites but -12 among blacks and +11 among men while +2 among women.

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

NATIONAL ECONOMY – Forty-nine percent of Americans rate the nation's economy as excellent or good, down two points 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	49	2	47	51	40	11
Avg. since 12/85	42	4	38	58	39	20

PERSONAL FINANCES – Sixty-six percent rate their own finances as excellent or good, up one point 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	66	5	61	34	23	11
Avg. since 12/85	57	5	52	43	30	12

BUYING CLIMATE – Forty-five percent say it's an excellent or good time to buy things they want and need, up four points 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	45	3	42	55	39	16
Avg. since 12/85	38	3	36	62	41	21

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 1,024 interviews in the month ending August 12, 2001 and have an error margin of plus or minus three percentage points. The question on expectations was conducted among 509 respondents August 1-12, 2001; that result has a 4.5-point error margin. 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/politics/PollVault/PollVault.html>

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08/12/01	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	7	5	4	3	31	34	1	16
State of Economy	-2	2	4	6	48	56	-2	28
Personal Finances	32	30	26	22	38	38	20	30
Buying Climate	-10	-18	-18	-18	8	8	-24	-9

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	11	7	8	13	39	45	7	22
Women	2	2	0	-5	23	27	-9	11
Age:								
18 - 34	15	12	10	9	29	36	0	19
35 - 44	1	0	5	4	31	33	-2	15
45 - 54	3	-1	-7	-1	32	40	-7	15
55 - 64	-3	-1	12	14	21	51	-12	14
65 +	9	9	-3	-6	40	43	-6	14
Income:								
Under \$15K	-41	-40	-31	-32	-19	-8	-51	-28
\$15K To \$24.9K	-25	-23	-18	-40	2	14	-40	-14
\$25K To \$39.9K	6	-1	-8	-3	28	32	-18	6
\$40K To \$49.9K	2	2	-4	10	29	51	-10	23
Over \$50K	34	33	35	28	62	68	23	46
Region:								
Northeast	3	6	5	-2	37	41	-9	16
Midwest	13	8	1	10	35	46	0	20
South	5	4	6	1	22	30	-5	13
West	5	1	2	7	35	42	-4	17
Race:								
White	9	8	9	8	35	38	4	20
Black	-12	-13	-25	-25	2	20	-39	-9
Politics:								

Republican	34	30	21	26	40	48	19	32
Democrat	-2	-5	-3	-8	21	37	-13	11
Independent	-2	-2	0	-1	35	39	-12	11
Education:								
< High School	-35	-35	-27	-27	5	9	-44	-20
High Sch. Grad.	6	-3	-7	-2	21	29	-11	8
College +	19	22	20	18	46	53	14	33
Home:								
Own	11	12	12	11	39	42	7	23
Rent	-6	-13	-19	-14	8	17	-19	-1
Marital Status:								
Single	11	6	7	3	32	42	-13	16
Married	12	9	6	13	38	38	6	22
Sep/Wid/Div	-16	-11	-10	-25	0	27	-29	-6
Employ. Status:								
Full-Time	18	15	13	14	33	40	8	23
Part-Time	-9	-4	11	2	33	40	-9	16
Not Employed	-5	-8	-12	-12	27	29	-12	5

1. Do you think the nation's economy is getting better, getting worse or staying the same?

	Getting Better	Getting Worse	Staying the Same	No Opinion
8/12/01	16	46	38	0
7/15/01	13	40	46	0
6/17/01	17	45	38	1
5/20/01	13	47	39	0
4/22/01	12	44	44	0
3/25/01	13	49	37	1
2/11/01	13	45	41	1
1/14/01	12	40	47	1
7/09/00	21	28	50	0
9/12/99	21	23	56	1
5/23/99	24	26	49	1
1/31/99	28	21	50	0
1/03/99	29	21	47	2

*Call for full trend.

END