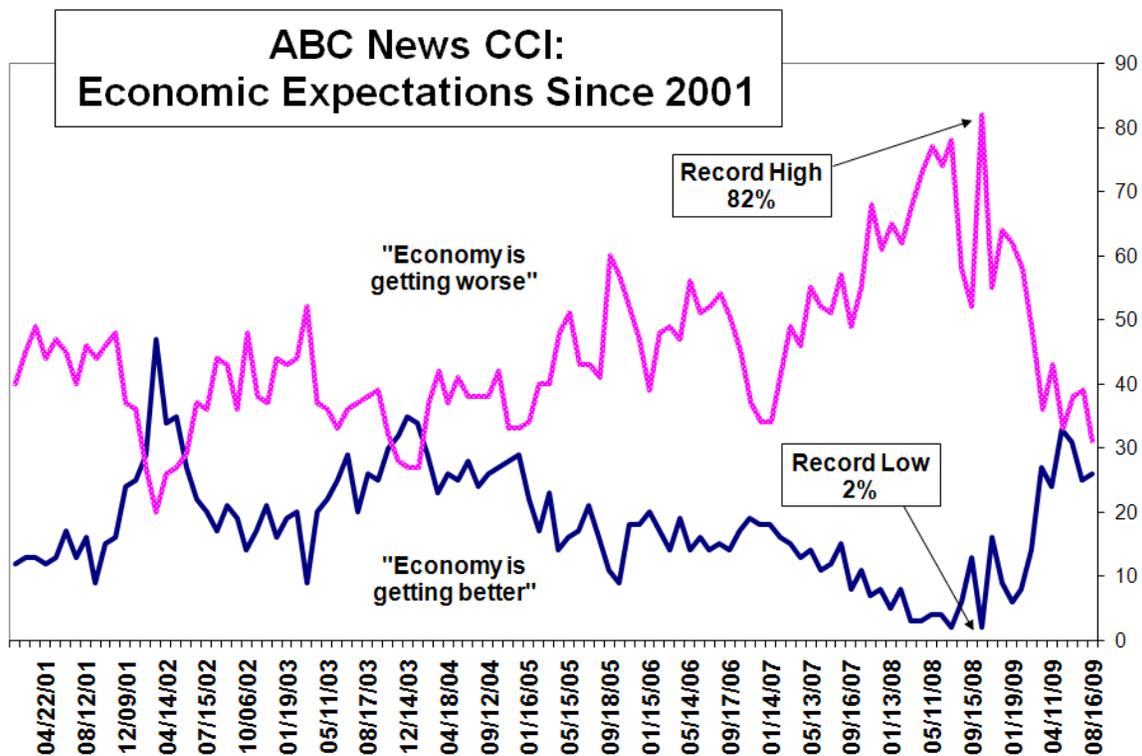


## **Pessimism Recedes as Confidence Creeps Up**

Economic pessimism reached a five-year low this week, as consumer ratings of current economic conditions trudged slowly out of the basement.

Thirty-one percent of Americans now say the economy's getting worse, down 8 points in a month to the fewest since January 2004. The change since last October is striking: The number who say the economy is worsening has plummeted from 82 percent last fall, its 28-year high. Still, just 26 percent see the economy getting better and 41 percent say things are staying the same.

In a separate measure of current economic conditions, the ABC News Consumer Comfort Index stands at -46 on its scale of -100 to +100, its highest mark since mid-May but a dubious figure nonetheless. Recent improvement stems mostly from better ratings of personal finances, now 48 percent positive, their best in three months, and up 9 points since hitting the record low in late June.

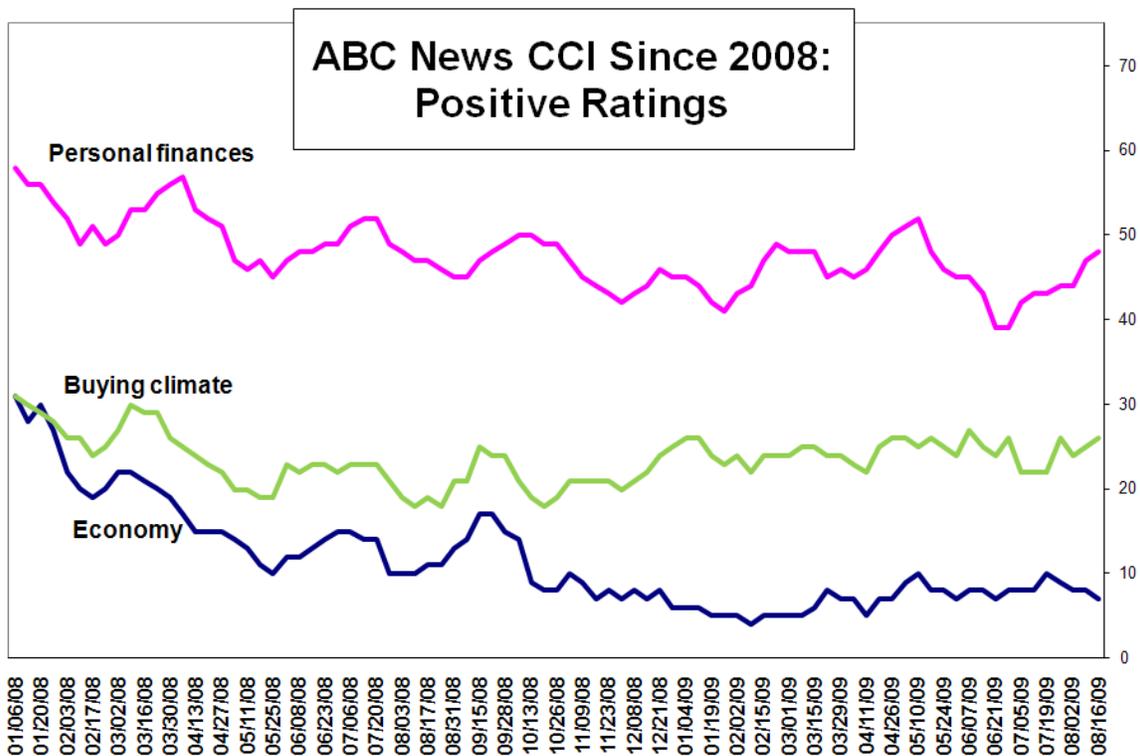


Like the CCI, the economy is trying to climb out of recession but for now seems relatively stuck. Retail sales were weak in July, with Americans reportedly concentrating on eliminating debt rather than buying new things, and unemployment is at an historically high level.

**CURRENT INDEX** – The CCI is based on ratings of the economy, personal finances and the buying climate. Positive ratings of the economy are by far the worst of the three, with just 7 percent saying it is in excellent or good shape. That is the lowest rating in eight weeks – now 31 points below average – and it’s been in single digits for 42 of the past 45 weeks.

Just over a quarter, 26 percent, say it’s an excellent or good time to buy things – a point from the year’s best, but 11 points below average and under 30 percent for a record 75 weeks.

At 48 percent positive, ratings of personal finances are the strongest of the three components and at their highest in 13 weeks. They’re up 9 points since their record low in late June but still 9 points below average.



Positive ratings of:	ABC News CCI		Averages	
	This week	Last week	2009	'85-'09
National economy	7%	8	7	38
Buying climate	26	25	24	37
Personal finances	48	47	45	57

Consumer Comfort Index      -46                      -47                      -49                      -12

**BETTER/WORSE** – As noted, in a separate forward-looking measure, 31 percent say the economy’s getting worse, 9 points below the long-term average in polls since March 1981, and 51 points below the record high, 82 percent, last October.

For seven straight months, fewer than 50 percent have said the economy is getting worse. This comes on the heels of a 17-month stretch, from late 2007 to this past February, in which over half said the economy was getting worse.

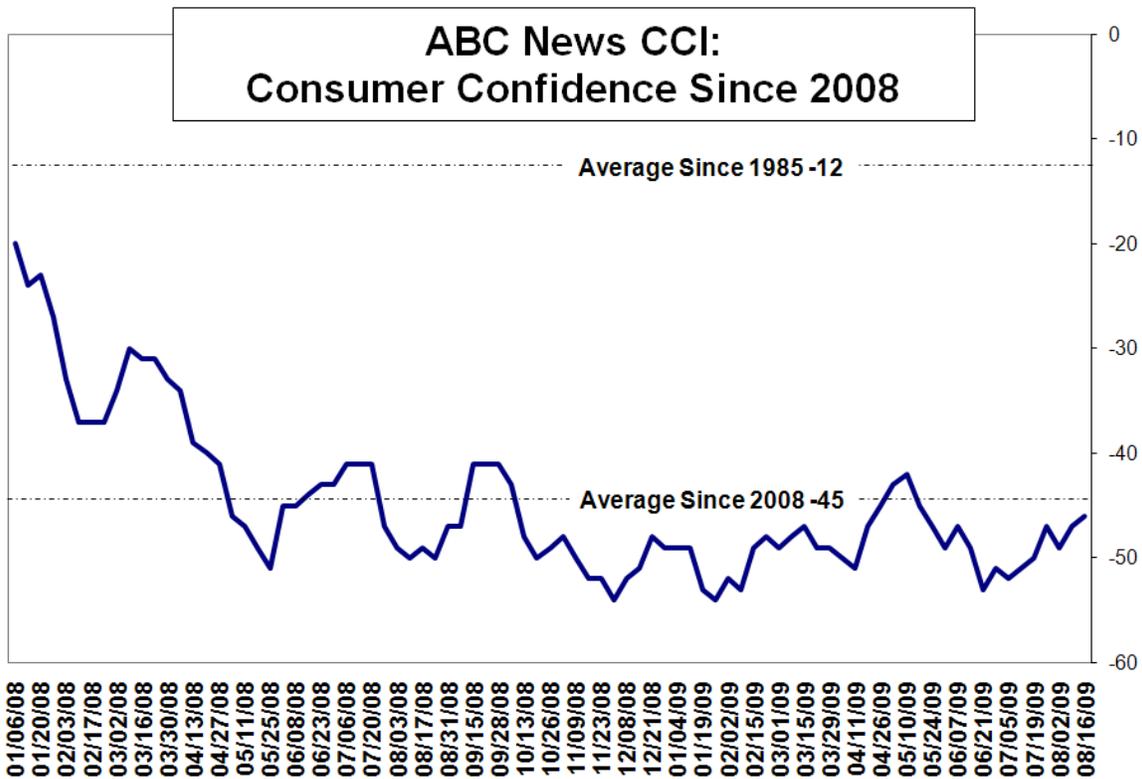
Twenty-six percent say the economy’s getting better, about the same as last month and 6 points better than the long-term average, 20 percent.

Partisanship matters in these judgments: Republicans and independents are markedly more pessimistic than Democrats, with 38 and 30 percent of them saying things are getting worse, respectively. In contrast, only 14 percent of Democrats are pessimistic, a point from their low.

	Economy’s direction		
	Better	Worse	Same
8/16/09	26%	31	41
7/12/09	25	39	35
6/14/09	31	38	29
5/17/09	33	33	33
4/11/09	24	43	32
3/29/09	27	36	36
3/15/09	14	48	36
2/15/09	8	58	31
1/19/09	6	62	31

**TREND** – Consumer confidence has inched up 3 points in two weeks to its best level since mid-May. But -46 is nothing to crow about. That score keeps confidence only 8 points from its lowest ever, -54 in January, and 7 points from its recent low, -53 in late June. Despite the upswing since then, the CCI has been below -40 for a record 69 straight weeks and has not seen positive territory since March 2007.

The index is averaging -49 this year, compared with its long-term average of -12. Its record high was +38 in January 2000. The index is on pace for its worst year, 5 points under its lowest full-year average, -44 in 1992.



	ABC News CCI	
This week	-46	
Last week	-47	
2009 high	-42	May 10
2009 low	-54	Jan. 25, record low
2009 average	-49	
2000 average	+29	Best full year
1992 average	-44	Worst full year
Jan. 16, 2000	+38	Record high
Average since 12/85	-12	

GROUPS – The index is higher as usual among better-off Americans, but negative across the board for the 25<sup>th</sup> week straight, and all but two weeks this year.

It's -18 among those with the highest incomes but -70 among those with the lowest, -39 among those who've attended college vs. -58 among high school dropouts (the best since May), -42 among men while -49 among women (matching the best since June), -40 among homeowners (the best since May) compared with -59 among renters, and -43 among whites (also the best since May) vs. -59 among blacks (the worst since June). The 16-point racial difference is the largest since May, but it's still narrower than the average 28-point gap.

There are partisan differences, with the index at -38 among Republicans (4 points from the low) vs. -50 among Democrats (the best since June) and -43 among independents. But

that 12-point Republican-Democratic gap is far smaller than last year's average difference, 41 points, and the long-term difference in data since 1990, 32 points. That's mainly because Republicans are much further below their norm.

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

**NATIONAL ECONOMY** – Seven percent of Americans rate the economy as excellent or good; it was 8 percent last week. The highest was 80 percent Jan. 16, 2000. The worst was 4 percent Feb. 8, 2009.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	7	1	6	93	47	46
Avg. since 12/85	38	3	35	62	40	22

**PERSONAL FINANCES** – Forty-eight 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 39 percent June 28 and 21, 2009.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	48	6	42	52	32	20
Avg. since 12/85	57	5	52	43	30	13

**BUYING CLIMATE** – Twenty-six percent say it's an excellent or good time to buy things; it was 25 percent last week. The best was 57 percent on Jan. 16, 2000. The worst was 18 percent, last reached Oct. 19, 2008.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	26	2	24	74	43	31
Avg. since 12/85	37	3	35	63	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 Aug. 16, 2009. The results have a 3-point error margin. The expectations question was asked of 500 respondents Aug. 5-16, 2009; that result has a 4.5-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 Giovanni Russonello.

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

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

08/16/09	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	-46	-47	-50	-45	-49	-41	-54	-49
State of Economy	-86	-84	-80	-84	-78	-66	-92	-84
Personal Finances	-4	-6	-14	-4	-6	4	-22	-9
Buying Climate	-48	-50	-56	-48	-62	-46	-64	-54
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OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	-42	-43	-39	-33	-49	-28	-49	-42
Women	-49	-49	-59	-57	-48	-46	-60	-54
Age:								
18 - 34	-41	-42	-49	-35	-52	-32	-61	-47
35 - 44	-47	-45	-53	-51	-49	-35	-62	-49
45 - 54	-52	-47	-46	-51	-49	-31	-61	-48
55 - 64	-43	-50	-52	-56	-46	-40	-65	-51
65+	-47	-50	-48	-42	-45	-34	-56	-47
Income:								
Under \$15K	-70	-67	-57	-77	-66	-51	-84	-72
\$15K To \$24.9K	-64	-77	-81	-51	-76	-41	-83	-68
\$25K To \$39.9K	-54	-57	-66	-56	-59	-47	-73	-61
\$40K To \$49.9K	-54	-51	-48	-68	-45	-27	-68	-51
Over \$50K	-25	-23	-27	-24	-30	-21	-41	-29
\$50K To \$74.9K	-33	-32	-29	-30	-45	-24	-54	-39
\$75K To \$99.9K	-22	-16	-25	-28	-29	-14	-52	-32
Over \$100K	-18	-21	-25	-14	-15	5	-34	-15
Region:								
Northeast	-49	-54	-48	-58	-55	-40	-62	-52
Midwest	-41	-42	-49	-47	-37	-31	-58	-48
South	-49	-45	-45	-46	-51	-39	-59	-49
West	-42	-44	-58	-33	-49	-19	-58	-44
Race:								
White	-43	-46	-49	-41	-44	-35	-52	-46
Black	-59	-52	-42	-60	-80	-41	-81	-59
Politics:								
Republican	-38	-36	-34	-32	-23	-10	-42	-32
Democrat	-50	-54	-54	-54	-63	-43	-70	-58
Independent	-43	-42	-55	-42	-50	-39	-56	-49
Education:								
< High School	-58	-66	-63	-55	-65	-51	-76	-64
High Sch. Grad.	-52	-52	-63	-57	-57	-38	-65	-54
College +	-39	-37	-39	-37	-40	-30	-50	-40
Home:								
Own	-40	-41	-45	-43	-43	-36	-49	-43
Rent	-59	-59	-60	-51	-67	-48	-80	-62
Marital Status:								
Single	-45	-46	-62	-49	-63	-34	-69	-53
Married	-43	-42	-38	-35	-38	-32	-47	-41
Sep/Wid/Div	-55	-57	-60	-64	-61	-52	-70	-61
Employ. Status:								

Full-Time	-39	-40	-38	-34	-43	-29	-45	-39
Part-Time	-42	-42	-63	-40	-57	-31	-67	-50
Not Employed	-54	-53	-59	-59	-52	-49	-66	-58

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
8/16/09	26	31	41	2
7/12/09	25	39	35	1
6/14/09	31	38	29	1
5/17/09	33	33	33	1
4/11/09	24	43	32	2
3/29/09*	27	36	36	1
3/15/09	14	48	36	2
2/15/09	8	58	31	3
1/19/09	6	62	31	1
12/15/08	9	64	25	1
11/16/08	16	55	28	1
10/13/08	2	82	13	2
9/15/08	13	52	34	2

\*ABC News/Washington Post poll  
Call for full trend.

\*\*\*END\*\*\*