

Faith in the Stock Market Slips; Consumer Confidence Stays High

Less than half the public expects the stock market to keep growing in the next year, but the specter of bears on Wall Street hasn't dented consumer confidence, the latest ABC News/Money magazine poll has found.

Given its recent gyrations, 46 percent of Americans now think the stock market is likely to go up in the next year, while 44 percent expect it to go down. The forecast was better last October, when 53 percent expected continued growth.

	Expect stocks to	
	Go up	Go down
8/16/98	46%	44
10/13/97	53	38

CONFIDENCE - Consumer confidence nonetheless remains far stronger than usual, though it did step back from the verge of a new high this week. Seventy percent say the economy is in good shape, double the average in more than 12 years of weekly polls. Sixty-six percent rate their own finances positively—11 points more than average—and 53 percent call it a good time to spend money, 17 points better than usual.

	Today	Positive Ratings		
		Record high	Record low	12-year avg.
National Economy	70%	76	7	35
Personal Finances	66	68	42	55
Buying Climate	53	54	20	36

INDEX - The ABC/Money Consumer Comfort Index, based on these ratings, stands at +26 on its scale of +100 to -100, down two points this week. Last week it came 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. Clinton's approval rating was 61 percent in an ABC News poll after his

speech to the nation on the Lewinsky affair Monday, and nearly seven Americans in 10 said they did not want him to leave office prematurely.

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

	ABC/Money Index	
Today	+26	
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 +13 among women, +26 among whites but +14 among blacks, +58 in higher-income households but -11 in the lowest and +37 among people who've attended college compared to +4 among high school dropouts.

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 percent say excellent or good, down 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	70	9	61	30	21	9
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-six percent say excellent or good, down one point 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	66	6	60	34	26	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, unchanged 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	4	49	47	33	14
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 1,023 interviews in the month ending Aug. 16 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; and on America Online (keyword "ABC Polls").

08/16/98	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	26	28	20	24	12	29	5	18
State of Economy	40	44	36	42	22	52	8	31
Personal Finances	32	34	28	28	24	36	14	26
Buying Climate	6	6	-4	2	-10	8	-14	-3

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

Own	32	33	26	28	19	36	12	25
Rent	8	12	4	11	-10	12	-18	-1
Marital Status:								
Single	24	23	21	25	7	34	-7	12
Married	31	34	29	29	19	36	13	25
Sep/Wid/Div	6	8	-12	7	-9	18	-22	-4
Employ. Status:								
Full-Time	30	31	29	35	19	36	10	25
Part-Time	16	23	18	13	10	27	-5	10
Not Employed	20	23	8	10	3	25	-8	8