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ABC NEWS/MONEY CONSUMER INDEX - 9/08/96
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CONFIDENCE STILL FIRM

Consumer confidence dropped a scant one point this week, but continues strong and stable as it marks its best year since 1989.

The ABC/Money Consumer Comfort Index was down one to -12 on its scale of +100 to -100. It had been at -11 for four weeks straight, and has hovered between -13 and -7 (a nearly seven-year high) since late May.

The index has averaged -13 this year, not far from its pre-recession average of -9 in the second half of the 1980s. From 1990-93, depressed by the recession and its aftermath, it averaged a lowly -39.

The relatively positive mood of the consumer continued to mirror government figures on the economy. There was a bevy of positive reports last week followed by today's Federal Reserve beige book release which showed the nation's economy expanded moderately as summer was drawing to a close.

``Business activity in most districts is reported to be generally good and expanding moderately,' ' according to a survey of regional business conditions by the Fed's 12 district banks.

But while reports of substantial price increases were absent, the survey found ``pockets of labor market tightness and, in a few regions, this tightness appears to be broadly based.' ' As a result, ``wage gains have tended to outstrip price increases.' '

One of the big reasons consumer confidence took so long to lift after the last recession was that wages remained stagnant. But what's good news for consumers - wages are outstripping inflation - may be bad news for the markets because it suggests the Fed may raise interest rates.

VOTE - But the markets and the Fed aside, it seems certain that the relative happiness of the consumer as reflected in the ABC/Money poll and in reports of low unemployment and increased wages will continue to be the biggest re-election aid Bill Clinton has.

A review of where the ABC/Money index was in each national election going back to 1986 shows how much influence consumer confidence has to do with campaign fortunes:

Election Years Compared	ABC/Money Index
9/8/96	-12 Clinton with big lead
9/11/94	-17 Big GOP House win
9/6/92	-43 Bush loses big
9/4/88	-3 Bush wins big
9/7/86	-3 tiny 5-seat GOP loss

Here's how the index has averaged over the years:

ABC/Money Index	
1996 average	-13
1995	-15
1994	-19
1993	-37
1992	-44
1991	-37
1990	-24
1989	-11
Since mid-'90	-29
1990-93	-39
1986-90	-9

INDICES - The ABC/Money index is based on ratings of personal finances, the national economy and the buying climate. In the only positive gauge, 55 percent say their finances are in good shape, down two this week.

As usual, the other gauges are much more negative, albeit far better than in the early 1990s. Sixty percent rate the national economy negatively and 63 percent call it a bad time to buy things, both unchanged.

	Today	1990-93	1986-90
Negative on national economy	60	85	59
Negative on buying climate	63	74	61
Positive on personal finances	55	49	57

GROUPS - Confidence lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is +2 among men but -24 among women; +21 in higher-income households but -50 in the lowest; -7 among whites but -44 among blacks; and +6 among people who have attended college but -44 among high school dropouts.

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

NATIONAL ECONOMY- Sixty percent rate the economy negatively, unchanged this week. It's averaged 64 percent this year, compared to 85 percent from 1990-93 and 59 percent from 1986-1990. The worst, 93 percent, was in late 1991 and early 1992; the best, 50-50, was April 27, 1986. The average for the life of the index is 69 percent negative.

PERSONAL FINANCES - Fifty-five percent rate their finances positively, down two points. It's averaged 57 percent this year, compared to 49 percent in the 1990-93 slump and 57 percent before the recession. The worst was 58 percent negative March 14, 1993; the best, 62 percent positive Dec. 20, 1987. The full average is 54 percent positive.

BUYING CLIMATE - Sixty-three percent call this a bad time to buy things, unchanged. It's averaged 63 percent this year, compared to 74 percent during the 1990-93 slump and 61 percent before the recession. The worst is 80 percent negative Nov. 2 and Oct. 28, 1990; the best, 52 percent positive May 11, 1986. The full average is 66 percent negative.

	National Economy	Personal Finances	Buying Climate
This week	60% neg	55% pos	63% neg

1996 Average	64% neg	57% pos	63% neg
Recession Average (mid-1990 to 1993)	85% neg	51% neg	74% neg
Pre-Recession Avg. (1986 to mid-1990)	59% neg	57% pos	61% neg
Full Average (1986-1995)	69% neg	54% pos	66% neg
Worst	93% neg	58% neg	80% neg
Best	50% pos	62% pos	52% pos

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. Interviewing is done by ICR/AUS Consultants of Media, Pa. This week's results are based on 1,034 interviews in the month ending Sept. 8 and have an error margin of plus or minus 3.5 percentage points.

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.

For details contact the ABC News Polling Unit, (212) 456-2621.

ABC polls are available in the ABC News area of America Online.

09/08/96	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	-12	-11	-11	-12	-10	-7	-21	-14
State of Economy	-20	-20	-20	-28	-26	-18	-38	-28
Personal Finances	10	14	14	16	18	20	8	13
Buying Climate	-26	-26	-28	-24	-22	-18	-36	-26

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	2	3	-1	0	4	7	-11	-1
Women	-24	-24	-21	-21	-23	-18	-33	-24
Age:								
18 - 34	-6	-3	-17	-11	-11	-3	-23	-11
35 - 44	-20	-20	-4	-14	2	4	-23	-13
45 - 54	-6	-4	-8	-14	-7	-4	-36	-16
55 - 64	-30	-36	-12	-12	-3	-2	-40	-16
65 +	-3	-8	-12	-5	-27	9	-34	-15
Income:								
Under \$15K	-50	-52	-52	-58	-54	-43	-61	-51

\$15K To \$24.9K	-32	-26	-31	-12	-36	-12	-48	-34
\$25K To \$39.9K	-9	-9	-15	-14	-5	-2	-26	-14
\$40K To \$49.9K	11	12	9	0	-2	21	-31	1
Over \$50K	21	18	21	17	28	32	12	23
Region:								
Northeast	-15	-17	-21	-23	-20	-11	-34	-21
Midwest	4	2	6	2	5	11	-21	-5
South	-14	-14	-11	-11	-14	-5	-24	-15
West	-21	-14	-21	-14	-9	6	-23	-13
Race:								
White	-7	-6	-7	-5	-6	-2	-15	-9
Black	-44	-43	-37	-40	-38	-23	-56	-40
Politics:								
Republican	-4	-6	-3	6	-1	11	-8	0
Democrat	-17	-12	-8	-14	-15	-6	-28	-18
Independent	-11	-12	-16	-19	-13	-10	-26	-18
Education:								
< High School	-44	-38	-36	-39	-36	-28	-51	-41
High Sch. Grad.	-20	-18	-18	-16	-16	-10	-30	-21
College +	6	4	3	2	6	11	-6	3
Home:								
Own	-4	-5	-4	0	-6	1	-15	-7
Rent	-32	-28	-30	-35	-23	-20	-37	-29
Marital Status:								
Single	-7	-7	-16	-18	-4	-1	-26	-13
Married	-8	-7	-6	-5	-5	-1	-18	-8
Sep/Wid/Div	-28	-32	-25	-30	-37	-18	-45	-34
Employ. Status:								
Full-Time	-5	-3	-3	-3	2	7	-14	-4
Part-Time	-19	-18	-22	-21	-12	-4	-35	-18
Not Employed	-19	-21	-20	-19	-26	-16	-34	-25