

Flush Feeling Fuels Spending

A simple sentiment supports the public's spending spree: Americans are feeling flush.

A record-tying number in the latest ABC News/Money magazine poll, 70 percent, say their personal finances are in good shape. That helps explain Tuesday's report of a 1.2 percent increase in retail spending in August, the largest since the beginning of the year.

Today's Consumer Price Index for August suggests the boost in spending has had little impact on inflation, and that, too, reflects the public's economic views. Seventy-three percent say the economy's in good shape, a few points from its high in 13 years of weekly polls. And 52 percent call it a good time to spend money, also near its record.

	Today	----- Since 12/85 ----- Highest	Lowest	Average
Positive ratings:				
National Economy	73%	77	7	38
Personal Finances	70	70	42	56
Buying Climate	52	56	20	37

FUTURE – Consumer confidence in the current economy, based on these gauges, inched closer to its all-time high this week. And there's little pessimism about the future: Only 23 percent say the economy's getting worse, same as in January and well below average.

Twenty-one percent think the nation's economy is getting better still, down somewhat from the beginning of the year. Most say the strong economy is holding steady.

	Economy is:		
	Getting Better	Getting Worse	Staying the same
9/12/99	21%	23	56
5/23/99	24	26	49
1/31/99	28	21	50
1/03/99	29	21	47
11/01/90	3	77	19 Worst
1/16/85	43	12	44 Best

INDEX - The ABC News/Money magazine Consumer Comfort Index, based on ratings of personal finances, the national economy and the buying climate, stands at +30 on its scale of -100 to +100, two points from its record of +32.

Today	ABC/Money Index
	+30

Last week	+29	
Record high	+32	(1/17, 3/7, 3/14)
1999 average	+29	
1998 average	+24	Best full year
1992 average	-44	Worst full year
Feb. 9, 1992	-50	Record low
Average since 12/85	-13	

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

GROUPS – As usual, confidence is higher among better-off Americans: The index is +64 in higher-income households compared to -19 in the lowest; +48 among college graduates but -9 among high-school dropouts; +33 among whites but +12 among blacks; and +34 among men compared to +25 among women.

Here's a closer look at the three components of the 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-three percent say excellent or good, same as last week. The record, 77, was set Jan. 10 and tied in March, April and July. The worst rating was seven percent in late 1991 and early 1992.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	73%	11	62	27	19	8
Avg. since 12/85	38	3	35	62	41	21

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? Seventy percent say excellent or good, up one point from last week. This ties the record originally set Aug. 30, 1998 and tied Jan. 3 and June 13 this year. The worst was 42 percent March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	70%	7	63	30	21	9
Avg. since 12/85	56	4	52	44	31	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-two percent say excellent or good, up one point from last week. The record was 56 percent Nov. 29, 1998; the worst rating, 20 percent, was set in fall 1990.

	Pos. NET	Excel.	Good	Neg. net	Not good	Poor
This week	52%	4	48	48	35	13
Avg. since 12/85	37	3	35	63	41	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 1,042 interviews in the month ending Sept. 12 and have an error margin of plus or minus three percentage points. The question on investments was conducted Sept. 1-12; that result has a 4.5-point error margin. Fieldwork 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 Daniel Merkle.

ABC News polls can be found at ABCNEWS.com on the Internet, at:

<http://abcnews.go.com/sections/politics/PollVault/PollVault.html>

09/12/99	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	30	29	25	29	29	32	21	28
State of Economy	46	46	42	44	44	54	36	46
Personal Finances	40	38	30	40	36	40	28	33
Buying Climate	4	2	2	4	6	12	-4	4

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	34	33	36	34	36	44	30	35
Women	25	24	14	24	21	31	11	20
Age:								
18 - 34	29	25	24	27	26	35	17	27
35 - 44	32	30	28	31	32	40	16	29
45 - 54	32	35	19	27	38	41	13	28
55 - 64	23	23	22	39	21	47	12	27
65 +	30	28	31	26	25	37	17	27
Income:								
Under \$15K	-19	-18	-26	-19	-17	-9	-42	-21
\$15K To \$24.9K	-1	-6	-6	3	16	18	-15	0
\$25K To \$39.9K	29	25	20	27	10	38	5	24
\$40K To \$49.9K	35	38	49	43	51	56	28	43
Over \$50K	64	64	58	57	62	67	52	60
Region:								
Northeast	40	28	25	27	25	40	15	27
Midwest	25	28	26	41	35	41	24	33
South	22	26	27	20	24	31	15	23
West	38	33	18	32	30	43	13	28
Race:								
White	33	32	29	33	31	37	23	31
Black	12	13	-3	10	12	22	-9	6
Politics:								
Republican	40	42	32	39	43	49	28	39
Democrat	35	30	23	28	28	35	19	27
Independent	19	20	24	25	20	34	14	24
Education:								

< High School	-9	-6	-27	-4	-8	6	-27	-8
High Sch. Grad.	24	16	20	23	21	31	10	20
College +	48	49	44	45	46	52	36	45
Home:								
Own	32	31	31	37	34	40	26	34
Rent	22	19	10	5	15	26	0	12
Marital Status:								
Single	24	25	35	20	25	36	13	24
Married	37	37	27	35	35	41	27	34
Sep/Wid/Div	7	2	4	14	8	18	-3	7
Employ. Status:								
Full-Time	35	33	33	37	37	44	26	36
Part-Time	38	30	8	18	25	38	5	22
Not Employed	20	21	17	20	14	26	6	16

234. 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
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
11/08/98	26	27	47	0
10/11/98	24	31	44	1
9/27/98	26	31	43	0
9/13/98	20	27	53	0
6/21/98	30	21	49	0
5/24/98	34	22	42	1
4/26/98	31	21	47	1

(full trend available upon request)