

## **Economic Expectations Slip and Bear Close Watching**

Expectations for the economy's future lost ground in the latest ABC News/Money magazine poll, fazed perhaps by economic worries abroad or the schizoid stock market at home. While the current numbers are not cause for alarm, the trend bears watching.

Confidence in current economic conditions remains near its record high. But just 20 percent of Americans now think the economy is getting even better, down from 34 percent in May. Twenty-seven percent think it's getting worse, up slightly.

Declining economic expectations preceded the 1990-91 recession, but those numbers were vastly worse than they are now. The number of people saying the economy was "getting worse" grew from 46 percent in May 1990 to 58 percent that July, when the recession officially started, and on to a record 77 percent in October.

	-----1998-----			-----1990-----				
Economy is..	9/13	6/21	5/24	10/90	9/90	7/90*	5/90	2/90
Getting better	<b>20%</b>	<b>30</b>	<b>34</b>	3	5	9	7	10
Getting worse	27	21	22	<b>77</b>	<b>64</b>	<b>58</b>	<b>46</b>	<b>42</b>
Staying the same	53	49	42	19	31	32	47	48

\*Start of 1990-91 recession

The drop in expectations since June occurred entirely among men; it also seems to be a little stronger in the West, which is more dependent on Asia's economies. But confidence in current conditions looks to be as high in the West as elsewhere.

**CURRENT CONDITIONS** - This slip in expectations has not affected ratings of current economic conditions; they're soaring as they have all year. This week 72 percent of Americans say the economy is in good shape, double the average; 68 percent rate their own finances positively; and 53 percent call it a good time to buy things. Each is near its best ever in more than 12 years of weekly polls.

### Positive Ratings

	Today	Record high	Record low	12-year avg.
National Economy	72%	76	7	35
Personal Finances	68	70	42	55
Buying Climate	53	55	20	36

INDEX - The ABC/Money Consumer Comfort Index, based on these ratings, stands at +29 on its scale of +100 to -100, two points from the record it set Aug. 30. It's been the best year by far for consumer confidence since this survey began in December 1985: The index has averaged +23 in 1998, compared to a previous best of +5 last year, and a lifetime average of just -16.

In the summer of 1990, by contrast, confidence was much lower, and moving down, with the index falling from -14 in June 1990 to -27 that July. It bottomed out at -50 in February 1992.

	ABC/Money	Index
Today	+29	
Aug. 30	+30	
1998 average (to date)	+23	
1997 average	+5	Best full year
1992 average	-44	Worst full year
Feb. 9, 1992	-50	Record low
Average since 12/85	-16	

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

CLINTON - One person likely to be keenly interested in consumer confidence is Bill Clinton: Public faith in the economy has helped sustain his job ratings in the face of the Lewinsky scandal. That's because, absent war, nothing influences presidential approval as reliably as consumer confidence.

Clinton's approval rating was 59 percent in an ABC News poll Monday, slightly off its eight-month average of 63 percent but still very high. And in an ABC News poll Sunday, a whopping 76 percent said Clinton had "done a good job keeping the economy strong."

GROUPS - Confidence continues to lag in economically vulnerable groups. The index is +36 among men compared to +21 among women, +31 among whites compared to +12 among blacks, +62 in higher-income households but -17 in the lowest and +46 among people who've attended college compared to -8 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-two percent say excellent or good, up one point 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	72	9	63	28	21	7
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-eight percent say excellent or good, unchanged this week. The record was 70 percent Aug. 30; the worst, 42 percent March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	68	6	62	32	23	9
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, down one point. The record was 55 percent Aug. 30; the worst, 20 percent in fall 1990.

	Pos. NET	Excel.	Good	Neg. net	Not good	Poor
This week	53	4	49	47	31	16
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 1,038 interviews in the month ending Sept. 13 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](http://www.abcnews.com/sections/us/polnation_poll/index.html); and on America Online (keyword "ABC Polls").

09/13/98	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	29	29	26	25	13	31	5	19
State of Economy	44	42	40	40	24	52	8	32
Personal Finances	36	36	32	30	22	40	14	27
Buying Climate	6	8	6	4	-8	10	-14	-2
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	OVERALL INDEX BY DEMOGRAPHIC GROUPS							
Sex:	-----							
Men	36	40	39	35	25	40	13	28
Women	21	18	13	15	0	21	-6	10
Age:	-----							
18 - 34	26	25	24	17	11	29	-2	14

35 - 44	32	33	22	34	9	37	5	20
45 - 54	38	27	17	23	10	38	2	20
55 - 64	21	33	34	36	16	47	-5	24
65 +	25	29	34	18	17	35	-2	21
Income:								
Under \$15K	-17	-10	-11	-38	-40	-6	-46	-29
\$15K To \$24.9K	16	6	-5	3	7	16	-28	-4
\$25K To \$39.9K	10	13	14	21	10	25	0	15
\$40K To \$49.9K	51	60	40	54	33	60	6	35
Over \$50K	62	60	58	57	42	66	33	54
Region:								
Northeast	25	30	30	27	6	37	-4	17
Midwest	35	33	38	38	13	38	6	25
South	24	22	15	16	13	29	-6	16
West	30	32	25	20	16	40	2	18
Race:								
White	31	32	26	29	18	33	10	23
Black	12	5	14	-12	-22	15	-34	-11
Politics:								
Republican	43	44	36	42	27	46	16	32
Democrat	28	26	27	21	1	35	-2	17
Independent	20	16	16	18	15	30	0	14
Education:								
< High School	-8	-5	4	-14	-7	14	-38	-15
High Sch. Grad.	21	22	19	10	-4	27	-4	11
College +	46	44	37	46	30	48	22	36
Home:								
Own	34	36	32	32	19	39	12	26
Rent	15	12	8	6	-4	15	-18	0
Marital Status:								
Single	25	24	24	23	2	34	-7	14
Married	35	35	31	30	21	36	13	26
Sep/Wid/Div	8	9	6	2	-10	18	-22	-2
Employ. Status:								
Full-Time	37	36	30	34	22	37	10	26
Part-Time	25	26	16	13	5	27	-5	11
Not Employed	14	16	20	13	0	25	-8	9