

Still high, but...

Confidence Matches Its Low Mark of '99

Consumer confidence slipped a bit further this week, matching its low-water mark for the year – though it's still vastly better than usual.

Confidence remains on track for its best year ever in 13 years of weekly polls by ABC News and Money magazine. Still, it is off its peak, and it has set far fewer record highs this year than it did in 1998.

This week 71 percent of Americans rate the economy positively, 33 points above average but down from a record 77 percent. Sixty-seven percent say their own finances are good, down from a high of 70 percent; and 50 percent call it a good time to buy things, down from a record 56 percent.

		----- Since 12/85 -----		
Positive ratings:	Today	Highest	Lowest	Average
National Economy	71%	77	7	38
Personal Finances	67	70	42	56
Buying Climate	50	56	20	37

The Federal Reserve has raised interest rates twice this year in an attempt to head off inflation that could be caused by strong consumer spending. The Fed rate-makers meet again next week.

INDEX - The ABC/Money Consumer Comfort Index, based on ratings of the economy, personal finances and the buying climate, stands at +25 on its scale of -100 to +100. That's down two points from last week, matching its low points for 1999, in January and August.

Still, its average for this year is +29, four points higher than the full-year record set last year and much higher than its lifetime average of -13.

	ABC/Money Index	
Today	+25	
Last week	+27	
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	

HEALTH – In a separate question, this poll finds that the booming economy has brought a hidden benefit to some Americans – a decrease in concerns about paying future health care costs. Sixty-five percent still worry their health care costs will not be taken care of in the future, but that's down from a high of 79 percent in late 1995.

	Worry About Future Health Care Costs	
	Agree	Disagree
9/26/99	65%	33
10/1/95	79	19
7/17/94	71	28
9/22/93	62	36
9/19/93	65	30
12/15/91	68	31

Consumer confidence – which is much higher today than in 1995 – is related to the change. Among people who rate the economy negatively, 76 percent are worried about their future health care costs. Among people who rate the economy positively, fewer – 61 percent – are worried. The issue also has gotten less political attention lately, which may have reduced anxiety.

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 +59 in higher-income households compared to -25 in the lowest; +42 among college graduates but -20 among high-school dropouts; +29 among whites but -3 among blacks; and +37 among men compared to +14 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-one percent say excellent or good, the same as last week. The record, 77 percent, 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	71%	14	57	29	20	9
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? Sixty-seven percent say excellent or good, down two points from last week. This record, 70 percent, was set Aug. 30, 1998, and tied this January, June and September. The worst was 42 percent March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	67%	7	60	33	25	8
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 percent say excellent or good, down 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	50%	5	45	50	36	14
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 1,045 interviews in the month ending Sept. 26 and have an error margin of plus or minus three percentage points. The question on health care was conducted Sept. 15-26; 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>

09/26/99	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	25	27	27	28	27	32	21	28
State of Economy	42	42	42	44	46	54	36	46
Personal Finances	34	38	34	32	34	40	28	33
Buying Climate	0	2	4	8	2	12	-4	4

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	37	33	36	33	33	44	30	35
Women	14	21	18	23	21	31	11	20
Age:								
18 - 34	25	26	26	31	29	35	17	27
35 - 44	28	28	28	28	24	40	16	29
45 - 54	25	28	23	29	30	41	13	28
55 - 64	23	24	22	26	29	47	12	27
65 +	20	26	32	21	23	37	17	26

Income:								
Under \$15K	-25	-20	-18	-26	-15	-9	-42	-21
\$15K To \$24.9K	-6	-11	-7	-4	18	18	-15	-1
\$25K To \$39.9K	17	29	21	30	10	38	10	25
\$40K To \$49.9K	46	35	39	41	42	56	28	43
Over \$50K	59	61	63	57	62	67	52	60
Region:								
Northeast	34	35	28	27	25	40	15	27
Midwest	20	26	27	35	38	41	20	33
South	17	19	26	20	23	31	15	23
West	33	33	25	36	22	43	13	29
Race:								
White	29	30	29	34	30	37	23	31
Black	-3	12	11	-1	3	22	-9	6
Politics:								
Republican	35	38	39	45	39	49	28	38
Democrat	21	28	23	22	28	35	19	27
Independent	25	20	23	25	20	34	15	24
Education:								
< High School	-20	-12	-16	-15	-9	6	-27	-8
High Sch. Grad.	24	21	16	18	20	31	10	20
College +	42	45	49	49	43	52	36	44
Home:								
Own	30	31	31	32	33	40	26	34
Rent	10	15	14	16	12	26	0	12
Marital Status:								
Single	20	23	35	25	21	36	13	24
Married	30	33	32	32	33	41	27	34
Sep/Wid/Div	7	8	-1	13	9	18	-3	7
Employ. Status:								
Full-Time	32	33	35	39	35	44	26	36
Part-Time	27	30	14	11	28	38	5	22
Not Employed	14	18	20	17	13	26	6	17

235. Do you agree or disagree with this statement: I worry that health care costs I may have in the future will not be taken care of.

	Agree	Disagree	No opinion
9/26/99	65	33	2
10/1/95	79	19	1
7/17/94	71	28	1
9/22/93	62	36	3
9/19/93	65	30	5
12/15/91	68	31	1