

ABC NEWS/MONEY CONSUMER INDEX - 9/2798
EMBARGOED FOR RELEASE AFTER 6:30 p.m. Wednesday, Sept. 30, 1998

Expectations Worsen Some More;
But Ratings of Current Economy Strong

Consumer confidence in current economic conditions remains high, but expectations things are starting to worsen have increased noticeably since June this week's ABC News/Money magazine poll shows.

In June, 21 percent of those interviewed said the economy was getting worse; this week 31 percent did, a 10 point difference. Though the 10-point jump in negativity on this measure bears watching, the number thinking things are getting worse is far from numbers recorded at the height of the last recession when 77 percent (October and November 1990) said the economy was headed downward.

Another encouraging sign is that the number saying things are getting better economically has not dropped as much in concert, only four points - from 30 percent in June to 26 percent in this week's poll.

Is the economy...

	9/27/98	6/21/98
Getting Better	26	30
Getting Worse	31	21
Staying the same	43	49

The biggest group, as it usually is on this question, are those saying the economy isn't moving one way or the other. That shouldn't necessarily be a negative; it depends on how the group saying that is rating current conditions.

In this week's results, 83 percent of those who believe the economy is "staying the same" mean the economy is in good shape and staying that way.

INDEX ITSELF - Meanwhile, the overall ABC/Money Consumer Comfort Index erased half of last week's four-point decline and moved to within three points of its record high set on Aug.30

Ratings of the economy and the buying climate rose two points and one point respectively, while ratings of personal finances were unchanged.

Positive Ratings

	Today	Record high	Record low	12-year avg.
National Economy	73%	76	7	35
Personal Finances	67	70	42	55
Buying Climate	51	55	20	36

INDEX - The index, based on these ratings, stands at +27 on its scale of +100 to -100, up two points this week after taking a relatively large four-point hit last week. Despite the increase in negative expectations for the economy, this year continues to be 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.

ABC/Money Index

Today	+27	
Aug. 30	+30	record high
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	

GROUPS - Confidence continues to lag in economically vulnerable groups. The index is +33 among men compared to +21 among women, +30 among whites compared to +3 among blacks, +62 in higher-income households but -15 in the lowest and +43 among people who've attended college compared to -9 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-three percent say excellent or good, down 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	73	11	62	27	21	6
Avg. since 12/85	35	2	33	65	42	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-seven percent say excellent or good, down one point 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	67	7	60	33	24	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-one

percent say excellent or good, down three points. 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	51	4	47	49	34	15
Avg. since 12/85	36	2	34	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 1,043 interviews in the month ending Sept. 27 and have an error margin of plus or minus three percentage points. Field work by ICR Survey Research of Media, Pa. The question on expectations is based on 518 interviews done during the two weeks ending Sept. 27 and has an error margin of 4.5.

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 Jeff Alderman.

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
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America Online (keyword "ABC Polls").

09/27/98 This Last 4 Wks 3 Mo. 1 Yr. 12 Mo 12 Mo 12 Mo
 Week Week Ago Ago Ago High Low Avg

Group

GENERAL POPULATION:

Overall Index	27	25	31	23	10	31	5	19
State of Economy	46	42	42	34	16	52	8	33
Personal Finances	34	34	40	30	22	40	14	27
Buying Climate	2	0	10	6	-8	10	-14	-2

OVERALL INDEX BY DEMOGRAPHIC GROUPS

Sex:

Men	33	30	40	34	19	40	13	29
Women	21	20	21	14	1	21	-6	10

Age:

18 - 34	29	19	22	19	8	29	-2	14
35 - 44	24	27	37	31	15	37	5	20
45 - 54	30	37	34	18	2	38	2	20
55 - 64	29	21	34	35	5	47	-5	25
65 +	23	25	32	16	18	35	-2	21

Income:

Under \$15K	-15	-18	-6	-42	-31	-6	-46	-28
\$15K To \$24.9K	18	8	1	-9	-6	18	-28	-4
\$25K To \$39.9K	10	5	18	19	9	25	0	14
\$40K To \$49.9K	42	46	51	44	21	60	6	35
Over \$50K	62	62	62	64	41	66	33	54

Region:

Northeast	25	20	24	30	4	37	-4	17
Midwest	38	36	35	38	20	38	6	26
South	23	21	27	15	3	29	-6	16
West	22	23	36	16	15	40	2	18

Race:

White	30	29	33	28	16	33	10	24
Black	3	0	8	-13	-30	15	-34	-10

Politics:

Republican	39	42	43	43	24	46	16	33
Democrat	28	26	29	19	4	35	-2	17
Independent	20	14	20	19	9	30	0	14

Education: < High School -9 -13 2 -13 -19 14 -38 -15

High Sch. Grad.	20	16	27	12	-1	27	-4	12
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College +	43	45	42	43	27	48	22	36
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Home:

Own	33	32	39	30	16	39	12	27
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Rent	12	7	10	6	-6	15	-18	1
Marital Status:								
Single	21	15	30	34	-1	34	-7	14
Married	33	34	36	26	17	36	13	26
Sep/Wid/Div	9	4	10	2	-8	18	-22	-2
Employ. Status:								
Full-Time	35	34	37	36	14	37	10	27
Part-Time	28	23	21	12	10	28	-5	12
Not Employed	13	10	23	9	2	25	-8	10