

## **Confidence Slips Again - To an 11-Month Low**

Consumer confidence lost more ground this week, slipping to its lowest level in 11 months after a fairly unusual three-week decline.

Confidence still is much higher than usual in the 13-year-old ABC News/Money magazine poll. But Americans' ratings of the economy and the buying climate are now seven points below their record highs, and ratings of personal finances are five points off their peak.

It's the first time this year that ratings of the buying climate have fallen below 50 percent positive.

		----- Since 12/85 -----		
Positive ratings:	Today	Highest	Lowest	Average
National Economy	70%	77	7	38
Personal Finances	65	70	42	56
Buying Climate	49	56	20	37

INDEX - The ABC/Money Consumer Comfort Index, based on these gauges, stands at +23 on its scale of +100 to -100. That's its lowest since Nov. 8, down seven points in the last three weeks. It's averaged +28 this year, peaking at +32 in January and March.

Dips of this magnitude (seven points in three weeks) are fairly unusual, but by no means unheard of. The index lost seven points in two weeks in January, seven points in three weeks in November and December 1998, and six points in three weeks twice in 1998. In all those cases, it soon climbed back.

The index still compares very favorably to its 13-year average of -13, and its average from 1986 through 1996 of -20. The recovery in confidence took off in mid-'97, boosted by growing wages, low inflation, low interest rates and low unemployment.

	ABC/Money Index	
Today	+23	
Three weeks ago	+30	
Record high	+32	(1/17, 3/7, 3/14)
1999 average	+28	
1998 average	+24	Best full year
1992 average	-44	Worst full year
Feb. 9, 1992	-50	Record low

While confidence remains on track for its best year on record in the ABC/Money poll, it has seemed to hit a ceiling this year: The index has set just one record high in 1999, compared to nine new highs in 1998 and five in 1997.

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 +53 in higher-income households compared to -26 in the lowest; +40 among college graduates but -24 among high-school dropouts; +27 among whites but -10 among blacks; and +34 among men compared to +11 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 percent say excellent or good, down a point from 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	70%	13	57	30	22	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? Sixty-five percent say excellent or good, down two points. The 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	65%	7	58	35	25	11
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? Forty-nine percent say excellent or good, down one point. 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	49%	4	45	51	35	16
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 Oct. 3 and have an error margin of plus or minus three percentage points. 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 Gary Langer.

ABC News polls can be found at ABCNEWS.com on the Internet, at: <http://abcnews.go.com/sections/politics/PollVault/PollVault.html>

10/03/99	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	23	25	29	28	27	32	21	28
State of Economy	40	42	46	48	48	54	36	46
Personal Finances	30	34	38	28	30	40	28	33
Buying Climate	-2	0	2	8	4	12	-4	4
-----								
OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	34	37	33	37	34	44	30	35
Women	11	14	24	20	20	31	11	20
Age:								
18 - 34	23	25	25	31	23	35	17	27
35 - 44	19	28	30	29	29	40	16	29
45 - 54	20	25	35	35	34	41	13	28
55 - 64	25	23	23	16	28	47	12	27
65 +	25	20	28	20	26	37	17	26
Income:								
Under \$15K	-26	-25	-18	-31	-9	-9	-42	-22
\$15K To \$24.9K	-7	-6	-6	-11	9	9	-15	-2
\$25K To \$39.9K	9	17	25	30	13	38	9	25
\$40K To \$49.9K	46	46	38	49	39	56	28	43
Over \$50K	53	59	64	60	59	67	52	60
Region:								
Northeast	40	34	28	29	19	40	15	28
Midwest	22	20	28	35	40	41	20	33
South	14	17	26	22	29	31	14	23
West	21	33	33	29	18	43	13	29
Race:								
White	27	29	32	35	29	37	23	31
Black	-10	-3	13	-3	9	22	-10	5
Politics:								
Republican	38	35	42	47	37	49	28	38
Democrat	18	21	30	21	26	35	18	26

Independent	16	25	20	25	23	34	15	24
Education:								
< High School	-24	-20	-6	-20	0	6	-27	-8
High Sch. Grad.	19	24	16	14	22	31	10	20
College +	40	42	49	52	40	52	36	44
Home:								
Own	28	30	31	31	36	40	26	33
Rent	5	10	19	18	6	26	0	12
Marital Status:								
Single	20	20	25	29	23	36	13	24
Married	28	30	37	32	32	41	27	33
Sep/Wid/Div	4	7	2	7	13	18	-3	7
Employ. Status:								
Full-Time	30	32	33	39	34	44	26	35
Part-Time	19	27	30	18	19	38	5	22
Not Employed	12	14	21	14	18	26	6	17