

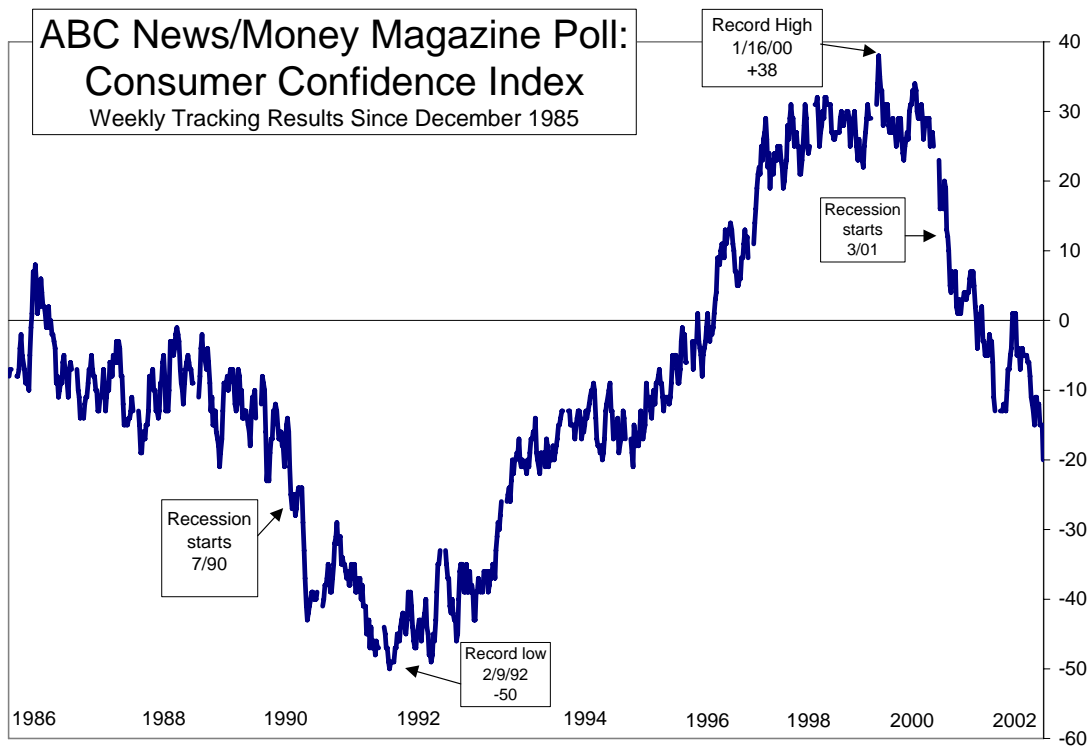
Confidence Falls Sharply; Expectations Worsen as Well

Consumer confidence sustained one of its biggest drops on record in 16 years of polls this week, falling to its lowest since January 1996. One component, ratings of the national economy, sank even lower, to their worst in eight and a half years.

Only 27 percent of Americans now say the economy's in good shape, down 18 points since spring to its lowest since January 1994. Views of personal finances fell to their worst in five and a half years. And ratings of the buying climate matched their 2002 low.

The ABC News/Money magazine Consumer Comfort Index, based on these gauges, lost five points this week to -20 on its scale of +100 to -100. It's fallen this far in a week only 18 times in 875 continuous weeks of polling, including a six-point drop last April that inaugurated this year's downward spiral.

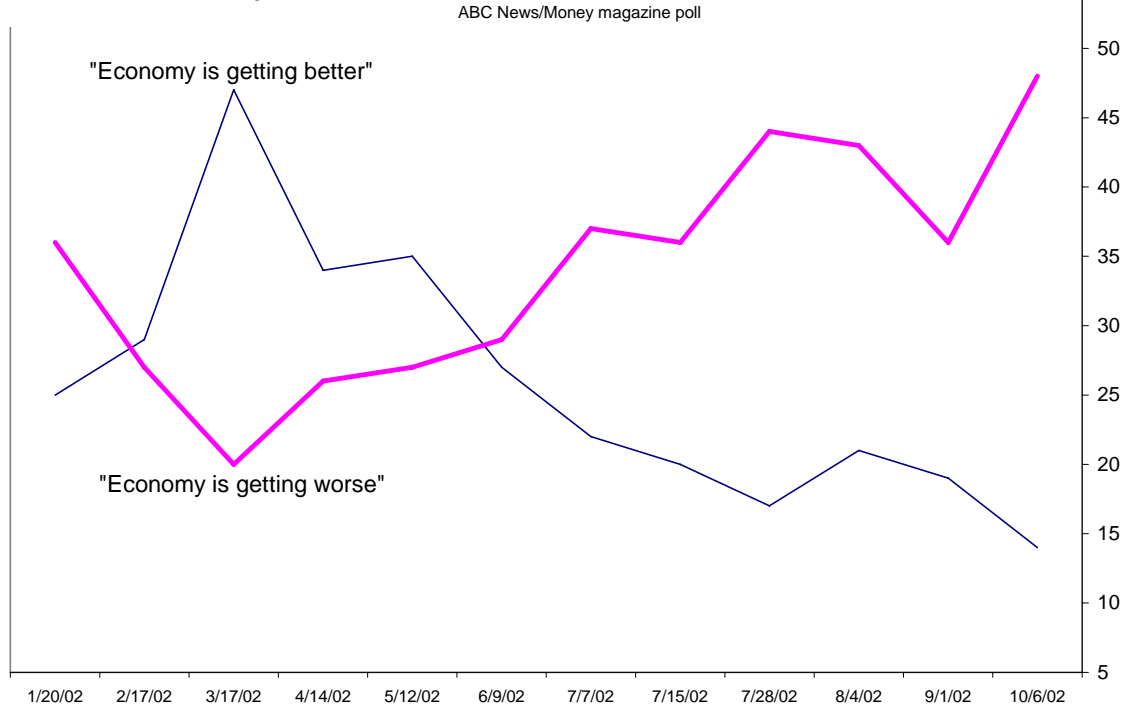
Expectations, measured separately, also have worsened: Forty-eight percent now say the economy's getting worse, up 12 points in the last month and the most since November. Economic pessimists now outnumber optimists by more than 3-1.



The weak economy and slumping stock market have been weighing on consumer confidence for months. The ABC/Money index dropped to a six-year low of -15 on Aug. 11; just this week the Fed reported that growth in household credit was its slowest in August in eight months, raising concerns about consumer spending.

The Energy Department added another concern this week, predicting that household heating expenditures this winter will rise 19 percent for natural gas, 45 percent for heating oil and 22 percent for propane. Confidence in the past has been sensitive to rising fuel prices.

Economic Expectations Since Jan. '02

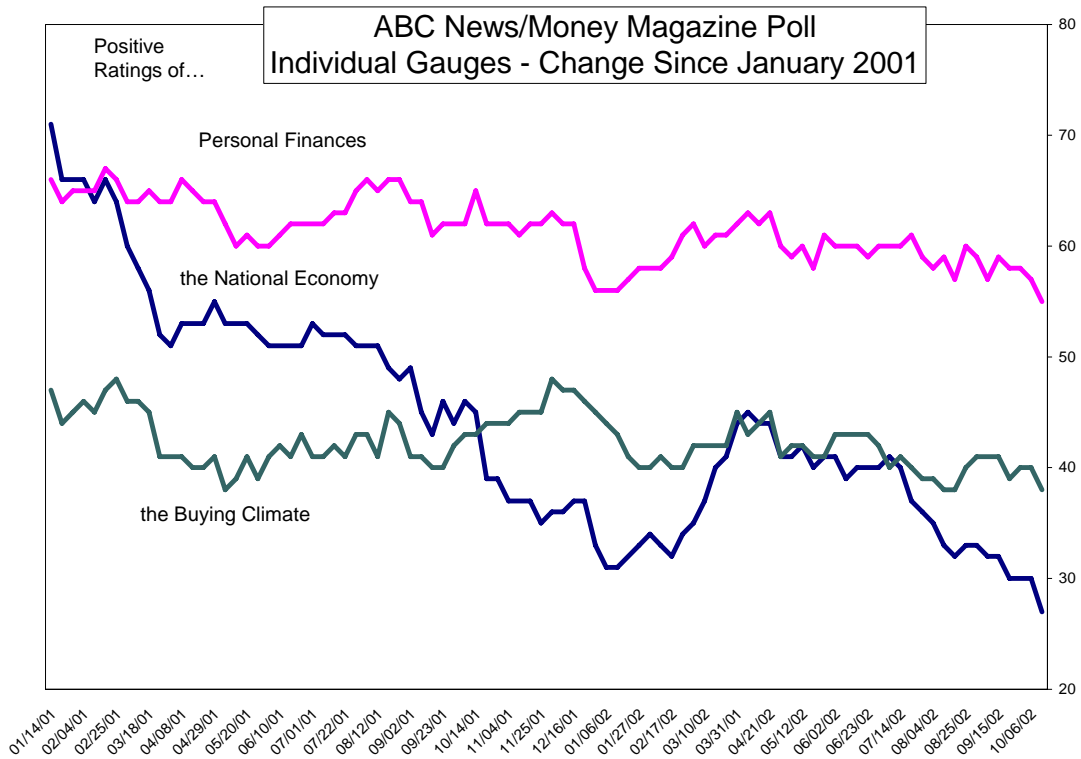


TREND – Consumer confidence has fallen dramatically from the peak of the economic cycle. In January 2000, 80 percent of Americans said the economy was in good shape (it’s now 27 percent), 70 percent said their finances were O.K. (now 55 percent) and 57 percent called it a good time to buy things (38 percent now).

At the same time, it’s been much worse. After the 1990-91 recession just seven percent rated the economy positively. In 1990 as few as 20 percent called it a good time to buy. And positive ratings of personal finances bottomed out at 42 percent in March 1993.

The ABC/Money index peaked at +38 in January 2000 and cratered at -50 in February 1992. Its weekly average since December 1985 is - 8.

| Positive ratings of: | ABC News/Money magazine poll | | | |
|------------------------|------------------------------|-----------|----------|-------------|
| | This week | 2002 High | 2002 Low | 16-yr. avg. |
| National economy | 27 | 45 | 27 | 41 |
| Buying climate | 38 | 45 | 38 | 39 |
| Personal finances | 55 | 63 | 55 | 57 |
| Consumer Comfort Index | -20 | +1 | -20 | -8 |



TREND – The ABC/Money index started the year at -13 and improved to +1 in March and mid-April. It slipped to -5 in late April and then held steady between -4 and -7 until July, when it headed down in the face of corporate scandals, the declining stock market and disappointing economic reports. It reached a 2002 low of -15 in early August and again in September, then fell lower to -20 this week.

| | ABC/Money Index | |
|---------------------|-----------------|-----------------|
| Today | -20 | |
| Last week | -15 | |
| 2002 high | +1 | |
| 2002 low | -20 | |
| 2002 average | -8 | |
| 2001 average | +4 | |
| 2000 average | +29 | Best full year |
| 1992 average | -44 | Worst full year |
| Jan. 16, 2000 | +38 | Record high |
| Feb. 9, 1992 | -50 | Record low |
| Average since 12/85 | -8 | |

GROUPS- As usual, confidence is higher among better-off Americans. The index is +3 among people in higher-income households compared to -45 in the lowest, -12 among college graduates while -41 among high-school dropouts, -18 among whites but -28 among blacks and -16 among men while -22 among women.

Here's a closer look at the three components of the ABC/Money index:

NATIONAL ECONOMY – Twenty-seven percent of Americans rate the nation's economy as excellent or good; it was 30 percent last week. The best was 80 percent Jan. 16, 2000. The worst was seven percent in late 1991 and early 1992.

| | Pos. NET | Excel. | Good | Neg. NET | Not good | Poor |
|------------------|----------|--------|------|----------|----------|------|
| This week | 27 | 1 | 26 | 73 | 51 | 22 |
| Avg. since 12/85 | 41 | 4 | 38 | 59 | 39 | 19 |

PERSONAL FINANCES – Fifty-five percent rate their own finances as excellent or good; it was 57 percent last week. The best was 70 percent, set Aug. 30, 1998 and last matched in January 2000. The worst was 42 percent March 14, 1993.

| | Pos. NET | Excel. | Good | Neg. NET | Not good | Poor |
|------------------|----------|--------|------|----------|----------|------|
| This week | 55 | 3 | 52 | 45 | 33 | 12 |
| Avg. since 12/85 | 57 | 5 | 53 | 43 | 30 | 12 |

BUYING CLIMATE – Thirty-eight percent say it's an excellent or good time to buy things they want and need; it was 40 percent last week. The best was 57 percent Jan. 16, 2000. The worst was 20 percent in fall 1990.

| | Pos. NET | Excel. | Good | Neg. net | Not good | Poor |
|------------------|----------|--------|------|----------|----------|------|
| This week | 38 | 2 | 36 | 62 | 42 | 20 |
| Avg. since 12/85 | 39 | 3 | 36 | 61 | 41 | 20 |

METHODOLOGY - The ABC News/Money magazine Consumer Comfort Index represents a rolling average based on telephone interviews with a random sample of about 1,000 adults nationwide each month. This week's results are based on 1,024 interviews in the month ending Oct. 6, 2002 and have an error margin of plus or minus three percentage points. The result on expectations is based on 508 interviews Sept. 25-Oct. 6 and has a 4.5-point error margin. Field work 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/us/PollVault/PollVault.html>

Media contact: Cathie Levine, (212) 456-4934.

| 10/06/02 | 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 | -20 | -15 | -12 | -6 | 2 | 2 | -20 | -8 |
| State of Economy | -46 | -40 | -36 | -20 | -10 | -10 | -46 | -27 |

| | | | | | | | | |
|-------------------|-----|-----|-----|-----|-----|----|-----|-----|
| Personal Finances | 10 | 14 | 18 | 20 | 30 | 30 | 10 | 20 |
| Buying Climate | -24 | -20 | -18 | -18 | -14 | -4 | -24 | -16 |

OVERALL INDEX BY DEMOGRAPHIC GROUPS

| | | | | | | | | |
|------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Sex: | | | | | | | | |
| Men | -16 | -12 | -9 | -1 | 10 | 10 | -16 | -1 |
| Women | -22 | -18 | -14 | -10 | -6 | -3 | -23 | -13 |
| Age: | | | | | | | | |
| 18 - 34 | -9 | -9 | 2 | 3 | 10 | 10 | -12 | -1 |
| 35 - 44 | -10 | -9 | -22 | -9 | 5 | 5 | -28 | -9 |
| 45 - 54 | -34 | -21 | -13 | -7 | 2 | 6 | -34 | -9 |
| 55 - 64 | -25 | -23 | -22 | -2 | 2 | 20 | -30 | -7 |
| 65 + | -27 | -23 | -20 | -17 | -15 | 0 | -27 | -16 |
| Income: | | | | | | | | |
| Under \$15K | -45 | -43 | -36 | -33 | -26 | -23 | -54 | -42 |
| \$15K To \$24.9K | -34 | -27 | -35 | -25 | -14 | -14 | -44 | -27 |
| \$25K To \$39.9K | -34 | -24 | -20 | -17 | 6 | 6 | -34 | -13 |
| \$40K To \$49.9K | -25 | -16 | -12 | 5 | 7 | 15 | -25 | 0 |
| Over \$50K | 3 | 5 | 10 | 15 | 15 | 33 | 0 | 15 |
| Region: | | | | | | | | |
| Northeast | -17 | -11 | -24 | -10 | -6 | 2 | -24 | -10 |
| Midwest | -17 | -11 | -8 | -16 | -3 | 4 | -18 | -7 |
| South | -26 | -22 | -10 | 4 | 7 | 7 | -26 | -6 |
| West | -13 | -12 | -7 | -7 | 3 | 9 | -21 | -7 |
| Race: | | | | | | | | |
| White | -18 | -13 | -8 | -1 | 8 | 8 | -18 | -3 |
| Black | -28 | -29 | -27 | -33 | -40 | -8 | -51 | -34 |
| Politics: | | | | | | | | |
| Republican | 5 | 7 | 9 | 14 | 21 | 34 | 5 | 16 |
| Democrat | -34 | -30 | -23 | -17 | -12 | -12 | -34 | -21 |
| Independent | -23 | -17 | -14 | -9 | -2 | -2 | -23 | -10 |
| Education: | | | | | | | | |
| < High School | -41 | -44 | -42 | -32 | -15 | -12 | -58 | -32 |
| High Sch. Grad. | -20 | -14 | -14 | -7 | -6 | -3 | -22 | -11 |
| College + | -12 | -7 | -1 | 4 | 12 | 13 | -12 | 3 |
| Home: | | | | | | | | |
| Own | -16 | -12 | -9 | -3 | 6 | 9 | -16 | -3 |
| Rent | -27 | -24 | -20 | -12 | -10 | -8 | -29 | -19 |
| Marital Status: | | | | | | | | |
| Single | -11 | -10 | 1 | -5 | 8 | 10 | -19 | -5 |
| Married | -17 | -12 | -11 | 0 | 7 | 11 | -17 | -3 |
| Sep/Wid/Div | -38 | -32 | -27 | -24 | -22 | -14 | -42 | -26 |
| Employ. Status: | | | | | | | | |
| Full-Time | -16 | -11 | -6 | 1 | 12 | 12 | -16 | 1 |
| Part-Time | -15 | -11 | 3 | -4 | 0 | 14 | -21 | -6 |
| Not Employed | -26 | -22 | -25 | -16 | -12 | -8 | -28 | -20 |

1. 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 |
|----------|----------------|---------------|------------------|------------|
| 10/6/02 | 14 | 48 | 37 | 1 |
| 9/1/02 | 19 | 36 | 44 | 1 |
| 8/4/02 | 21 | 43 | 34 | 0 |
| 7/28/02* | 17 | 44 | 39 | 1 |
| 7/15/02* | 20 | 36 | 43 | 2 |
| 7/7/02 | 22 | 37 | 41 | 0 |
| 6/9/02 | 27 | 29 | 43 | 1 |
| 5/12/02 | 35 | 27 | 38 | 0 |
| 4/14/02 | 34 | 26 | 40 | 0 |
| 3/17/02 | 47 | 20 | 32 | 1 |
| 2/17/02 | 29 | 27 | 42 | 2 |
| 1/20/02 | 25 | 36 | 39 | 1 |

| | | | | |
|----------|----|----|----|---|
| 12/9/01 | 24 | 37 | 38 | 1 |
| 11/11/01 | 16 | 48 | 36 | 1 |
| 10/14/01 | 15 | 46 | 39 | 0 |
| 9/16/01 | 9 | 44 | 46 | 1 |
| 8/12/01 | 16 | 46 | 38 | 0 |
| 7/15/01 | 13 | 40 | 46 | 0 |
| 6/17/01 | 17 | 45 | 38 | 1 |
| 5/20/01 | 13 | 47 | 39 | 0 |
| 4/22/01 | 12 | 44 | 44 | 0 |
| 3/25/01 | 13 | 49 | 37 | 1 |
| 2/11/01 | 13 | 45 | 41 | 1 |
| 1/14/01 | 12 | 40 | 47 | 1 |

Call for full trend.

*ABC/Post

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END