

Public Remains Upbeat on Economic Conditions

Americans remain doggedly upbeat about domestic economic conditions, despite warnings of the risk of contagion from crises abroad, the latest ABC News/Money magazine poll has found.

Confidence in current conditions slipped a couple of points this week, but is still vastly better than usual. And expectations for the future economy, while less bright than last spring, are nowhere near the level that would signal impending doom.

The reason seems to be that, in evaluating economic conditions, Americans look to the indicators that cut closest to home: personal incomes, which have been rising; the job market, which is strong; and inflation, which is low.

The result: Seventy-two percent of Americans say the economy is in good shape, four points from the record in more than 12 years of weekly polls. Sixty-five percent say their own finances are good, five from the record. And 50 percent call it a good time to buy things, also five points from the record high.

		Positive Ratings		
	Today	Record high	Record low	12-year avg.
National Economy	72%	76	7	35
Personal Finances	65	70	42	55
Buying Climate	50	55	20	36

The ABC/Money Consumer Comfort Index, based on these gauges, stands at +25 on its scale of -100 to +100. That's below the record high it set Aug. 30, but still better than its average for the year (+23) and far better than usual. The index's previous best year was +5 last year, and its lifetime average is just -16.

	ABC/Money Index	
Today	+25	
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.

EXPECTATIONS - In a separate question measuring expectations, 24 percent expect the economy to get better in the next year, which is 10 points lower than it was in May. More people, 31 percent, expect the economy to get worse. But that's nowhere near the reading in July 1990, at the start of the last recession; then 58 percent said the economy was getting worse, and only nine percent said it was improving.

Economy is..	10/98	7/90
Getting better	24%	9
Getting worse	31	58
Staying the same	44	32

GROUPS - Confidence continues to lag in economically vulnerable groups. The index is +34 among men compared to +16 among women, +27 among whites compared to +5 among blacks, +57 in higher-income households but -10 in the lowest and +37 among people who've attended college compared to -2 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, down two points 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	11	61	28	23	5
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-five percent say excellent or good, down two points 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	65	6	59	35	25	10
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 percent say excellent or good, unchanged. 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	50	4	46	50	35	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 1,029 interviews in the month ending Oct. 11 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; and on America Online (keyword "ABC Polls").

10/11/98	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	25	27	29	19	7	31	5	20
State of Economy	44	48	44	34	10	52	8	34
Personal Finances	30	30	36	26	18	40	14	27
Buying Climate	0	4	6	-4	-6	10	-14	-1

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	34	34	36	28	17	40	13	29
Women	16	20	21	9	-2	21	-6	11
Age:								
18 - 34	19	23	26	15	6	29	-2	15
35 - 44	30	29	32	14	5	37	5	21
45 - 54	29	34	38	29	8	38	6	21
55 - 64	31	28	21	30	6	47	0	26
65 +	24	26	25	10	15	35	-2	22
Income:								
Under \$15K	-10	-9	-17	-33	-31	-6	-46	-27
\$15K To \$24.9K	1	9	16	-20	-20	18	-28	-3
\$25K To \$39.9K	14	13	10	18	7	25	0	15
\$40K To \$49.9K	44	39	51	33	8	60	6	36
Over \$50K	57	59	62	65	45	66	33	55
Region:								
Northeast	19	19	25	22	6	37	-4	18
Midwest	38	40	35	32	17	40	6	26
South	21	29	24	11	1	29	-1	17
West	22	18	30	12	9	40	2	18
Race:								
White	27	29	31	23	12	33	10	24
Black	5	9	12	-5	-27	15	-32	-8
Politics:								
Republican	33	37	43	36	16	46	16	33

Democrat	28	26	28	16	9	35	-2	18
Independent	20	23	20	14	3	30	0	15
Education:								
< High School	-2	0	-8	-16	-29	14	-38	-14
High Sch. Grad.	20	22	21	8	-1	27	-4	13
College +	37	40	46	38	26	48	22	37
Home:								
Own	34	36	34	24	13	39	12	27
Rent	3	6	15	5	-7	15	-18	1
Marital Status:								
Single	13	23	25	27	0	34	-7	15
Married	32	32	35	22	14	36	13	27
Sep/Wid/Div	13	13	8	-3	-13	18	-22	-1
Employ. Status:								
Full-Time	30	34	37	31	10	37	10	28
Part-Time	25	19	25	13	15	28	-5	13
Not Employed	16	18	14	2	-1	25	-8	10