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ABC NEWS/MONEY CONSUMER INDEX - 10/12/97
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Shoppers Signal a Boost in Holiday Spending

More consumers plan to boost their holiday spending than at any time since 1989, signaling a good year for retailers in their busiest season, the latest ABC News/Money magazine poll has found.

Eighteen percent of Americans say they'll spend more money on Christmas gifts this year, up from 11 percent last October. Thirty-six percent plan to spend the same; another 36 percent, less.

While spending plans don't track perfectly with actual spending, in the past they've been a good rough gauge of retail results in the holiday season. And the better outlook is logical, given the robust state of consumer confidence.

	Plan to spend		
	More	Less	Same
10/97	18	36	36
10/95	13	36	50
10/91	11	47	40
10/89	20	32	47

INDEX - While overall confidence is down from last month's record high, it's still relatively strong: Fifty-five percent of Americans rate the economy positively, 59 percent say their own finances are in good shape and 47 percent call this a good time to buy things they want and need.

The ABC/Money Consumer Comfort Index, based on these gauges, stands at +7 this week, down from a record +14 on Sept. 7. It's averaged +3 this year, compared to -19 since the weekly poll began in late 1985 and a dismal -33 in the first half of the 1990s.

ABC/Money Index		
Today	+7	
Sept. 7	+14	record high
1997 average	+3	
1996 average	-11	
1991-95	-33	
1986-90	-9	
1986-present	-19	

The index jumped sharply this year, from -1 in mid-May to +13 by early August, boosted by the growing economy, low unemployment, low inflation and higher per-capita income. It had never before exceeded +8, and that was in 1986.

Still, confidence has moderated in the last few weeks. Ratings of the national economy are now seven points below the record, 62 percent positive, set in August and September; ratings of personal finances are their lowest since late May and five points below the record, 64 percent positive, set Aug. 3.

But ratings of the buying climate have held steadier; they're just one point

below their recent high, 48 percent positive last month. (The record was 52 percent in May 1986.) This, too, could bode well for holiday spending.

GAUGES - Positive ratings of the economy are leading the index; they're 22 points better than their 11-year average. Ratings of the buying climate are 12 points better than average; ratings of personal finances, four points better.

	Positive Ratings	
	Today	11-yr avg.
National Economy	55%	33%
Buying Climate	47	35
Personal Finances	59	55

GROUPS - Confidence lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is +17 among men but -2 among women; +12 among whites but -27 among blacks; +45 in higher-income households but -31 in the lowest; and +26 among people who've attended college but -29 among high school dropouts.

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

NATIONAL ECONOMY- Fifty-five percent rate the economy positively, unchanged this week. It's averaged 53 percent this year; the average for the life of the index is 33 percent. The best was 62 percent positive in August and September; the worst, 93 percent negative in late 1991 and early 1992.

PERSONAL FINANCES - Fifty-nine percent rate their finances positively, down a point and the least since May 25. It's averaged 60 percent this year; the average for the life of the index is 55 percent. The best was 64 percent positive Aug. 3; the worst, 58 percent negative March 14, 1993.

BUYING CLIMATE - Fifty-three percent call this a bad time to buy things, down a point this week. It's averaged 58 percent negative this year; the average for the life of the index is 65 percent. The worst was 80 percent negative Nov. 2 and Oct. 28, 1990; the best, 52 percent positive May 11, 1986.

	National Economy	Personal Finances	Buying Climate
This week	55% pos	59% pos	53% neg
1997 Average	53% pos	60% pos	58% neg
Full Average	67% neg	55% pos	65% neg
Worst	93% neg	58% neg	80% neg
Best	62% pos	64% pos	52% pos

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. Interviewing by ICR-International Communications Research of Media, Pa. This week's results are based on 1,040 interviews in the month ending Oct.

12 and have an error margin of plus or minus three percentage points. The question on holiday spending was conducted among 518 respondents Oct. 1-12; that result has a 4.5-point error margin.

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.

For details contact the ABC News Polling Unit, (212) 456-2621. ABC polls are available in the ABC News area of America Online (keyword "ABC Polls") and on ABC News' internet site, ABCNEWS.COM.

10/12/97	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	7	7	13	11	-5	14	-9	2
State of Economy	10	10	24	14	-14	24	-16	3
Personal Finances	18	20	22	26	20	28	10	20
Buying Climate	-6	-8	-8	-6	-22	-4	-30	-18

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	17	19	25	18	-1	28	-5	12
Women	-2	-4	0	5	-8	6	-19	-8
Age:								
18 - 34	6	2	11	8	-7	17	-11	0
35 - 44	5	10	9	5	-18	15	-21	0
45 - 54	8	11	10	4	12	19	-12	3
55 - 64	6	-5	16	4	5	26	-17	5
65 +	15	20	17	35	-6	35	-10	7
Income:								
Under \$15K	-31	-30	-40	-24	-42	-24	-56	-40
\$15K To \$24.9K	-20	-18	7	-8	-22	7	-35	-18
\$25K To \$39.9K	7	3	10	-5	-18	20	-19	1
\$40K To \$49.9K	8	15	33	15	4	33	-4	11
Over \$50K	45	44	42	47	31	51	12	36
Region:								
Northeast	6	6	6	5	-14	14	-17	-1
Midwest	17	20	13	13	9	20	-8	7
South	1	-6	13	7	-2	20	-14	0
West	9	15	16	21	-16	21	-17	2
Race:								
White	12	13	18	16	-3	19	-10	6
Black	-27	-34	-22	-16	-24	0	-42	-22
Politics:								
Republican	16	19	27	26	-2	31	-12	13
Democrat	9	7	1	1	-6	12	-10	2
Independent	3	3	15	10	-11	16	-17	-4
Education:								
< High School	-29	-32	-7	-8	-28	-5	-44	-25

High Sch. Grad.	-1	-2	-4	-7	-7	5	-19	-7
College +	26	27	30	30	5	30	2	17
Home:								
Own	13	14	19	18	2	21	-4	9
Rent	-7	-10	-4	-7	-18	2	-27	-15
Marital Status:								
Single	0	-5	2	11	-16	12	-20	-2
Married	14	15	21	14	2	23	-7	8
Sep/Wid/Div	-13	-12	-10	0	-18	0	-29	-17
Employ. Status:								
Full-Time	10	11	22	15	1	25	-5	9
Part-Time	15	8	5	0	-15	15	-29	-5
Not Employed	-1	0	0	9	-9	9	-21	-7

Here's the full trend on Christmas spending:

Compared to last year, would you say this Christmas you will spend more, less, or about the same on presents for friends and family?

	More	Less	Same	Don't Celebrate (vol.)	No Opin.
10/12/97	18	36	36	3	6
12/8/96	14	35	48	3	0
10/13/96	11	33	55	1	0
11/26/95	13	38	48	1	0
10/15/95	13	36	50	1	0
11/27/94	15	34	48	1	1
10/16/94	14	34	51	0	1
10/17/93	14	38	47	0	0
11/29/92	10	41	47	2	1
10/18/92	12	41	45	1	-
10/20/91	11	47	40	1	0
10/21/90	14	38	45	1	1
10/22/89	20	32	47	1	1
10/30/88	16	32	51	-	-
12/17/87	25	29	45	*	1
10/26/87	17	29	53	1	*
11/30/86	17	36	46	-	-
12/17/85	25	28	45	3	-