

A Slight Slump For Consumer Confidence

Consumer confidence slipped a bit this week, extending a slight slump that began about a month ago – a dip that's coincided with an increase in consumer prices.

The government yesterday reported a 0.4 percent increase in the Consumer Price Index in September, the biggest since April (when consumer confidence also dipped.) Low inflation has helped boost confidence for more than a year, along with rising incomes, low interest rates and the strong job market.

While it's not clear that the slight rise in inflation has directly depressed consumer confidence, the number of Americans who call it a good time to buy things has slipped to 49 percent, from 54 percent this summer and a record 56 percent a year ago.

Similarly, 71 percent rate the economy positively, 33 points above average but down from a record 77 percent. And 66 percent say their own finances are in good shape, down from a high of 70 percent.

Though it's off its peak, confidence remains quite high: 1999 still is shaping up as the best year on record for the 13 year-old ABC News/Money magazine Consumer Comfort Index.

	Today	----- Since 12/85 -----		
Positive ratings:		Highest	Lowest	Average
National Economy	71%	77	7	38
Personal Finances	66	70	42	56
Buying Climate	49	56	20	37

INDEX - The ABC/Money index, based on these ratings, stands at +24 on its scale of -100 to +100, down two points from last week. Its average for this year is +28, four points higher than the full-year record set last year, and much higher than its lifetime average of -12.

	ABC/Money Index	
Today	+24	
Last week	+26	
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
Average since 12/85	-12	

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 +58 in higher-income households compared to -36 in the lowest; +41 among college graduates but -19 among high-school dropouts; +28 among whites but -7 among blacks; and +32 among men compared to +15 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-one percent say excellent or good, down one 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	71%	10	61	29	20	9
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-six percent say excellent or good, down one point from last week. 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	66%	7	59	34	23	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 from last week. 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	34	17
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 1,033 interviews in the month ending Oct. 17 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 Daniel Merkle.

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

10/17/99	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	24	26	27	29	25	32	21	28
State of Economy	42	44	42	50	42	54	36	46
Personal Finances	32	34	38	28	30	40	28	33
Buying Climate	-2	0	2	8	2	12	-4	4

OVERALL INDEX BY DEMOGRAPHIC GROUPS								

Sex:								
Men	32	35	33	37	34	44	30	35
Women	15	17	21	19	16	31	11	20
Age:								
18 - 34	24	26	26	33	23	35	17	27
35 - 44	16	16	28	27	30	40	16	28
45 - 54	25	26	28	30	24	41	13	27
55 - 64	27	35	24	23	24	47	12	27
65 +	25	29	26	17	23	37	17	27
Income:								
Under \$15K	-36	-31	-20	-37	-19	-11	-42	-23
\$15K To \$24.9K	4	3	-11	2	-2	8	-15	-2
\$25K To \$39.9K	8	14	29	20	22	38	8	25
\$40K To \$49.9K	39	43	35	50	42	56	28	43
Over \$50K	58	55	61	61	56	67	52	60
Region:								
Northeast	37	42	35	22	20	42	15	29
Midwest	29	31	26	31	35	41	20	32
South	17	17	19	29	23	31	14	22
West	14	20	33	28	21	43	13	28
Race:								
White	28	30	30	34	27	37	23	31
Black	-7	-1	12	-1	10	22	-10	5
Politics:								
Republican	41	38	38	43	32	49	28	38
Democrat	15	23	28	20	30	35	15	26
Independent	20	24	20	29	23	34	15	24
Education:								
< High School	-19	-12	-12	-15	2	6	-27	-9
High Sch. Grad.	16	18	21	16	21	31	10	20
College +	41	43	45	49	36	52	36	45
Home:								
Own	35	34	31	32	34	40	26	33
Rent	-3	2	15	16	3	26	-3	11
Marital Status:								
Single	12	18	23	26	22	36	12	24
Married	35	34	33	33	29	41	27	34

Sep/Wid/Div	-9	1	8	10	13	18	-9	6
Employ. Status:								
Full-Time	34	33	33	39	28	44	26	35
Part-Time	24	25	30	21	31	38	5	22
Not Employed	9	15	18	13	16	26	6	16