

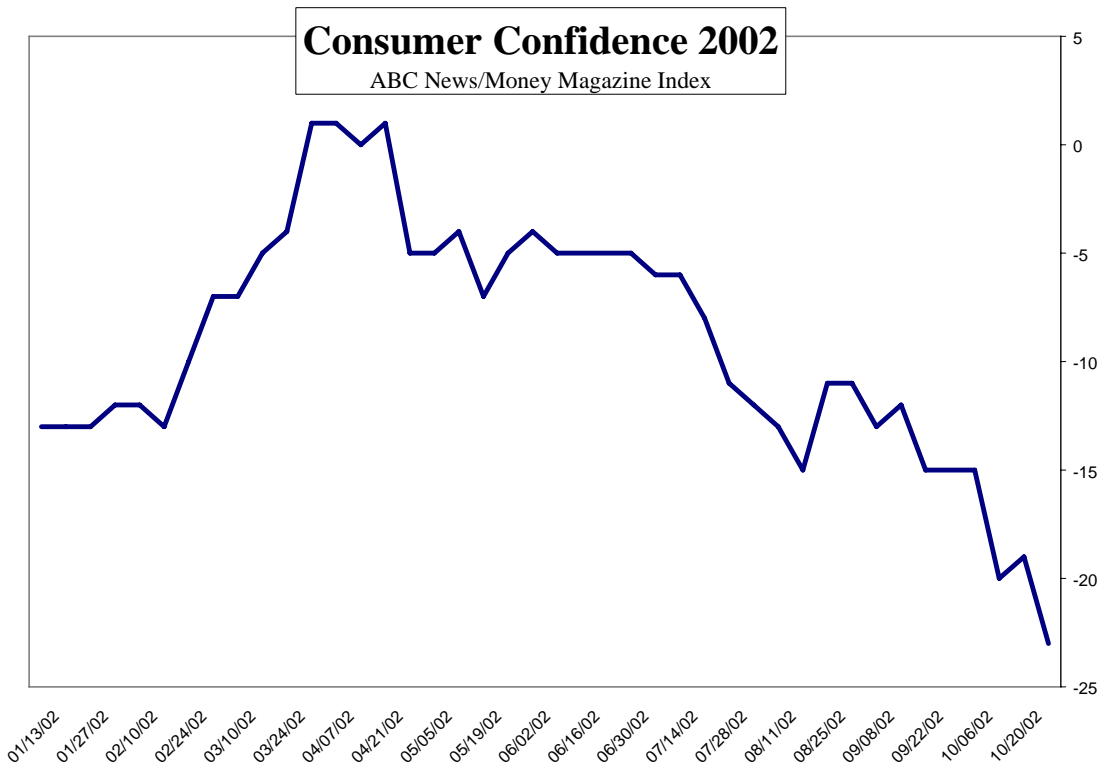
Second Big Drop This Month Whacks Consumer Confidence

Consumer confidence fell sharply again this week, its second steep drop this month – landing at its lowest since January 1994.

The ABC News/Money magazine Consumer Comfort Index lost four more points, after sustaining an unusual five-point drop the first week of October. The index now has lost 12 points in the last two months, again, an unusually steep decline.

The index is made up of public views of the economy, personal finances and the buying climate. Just 26 percent now rate the economy positively, the fewest since January 1994. Ratings of the buying climate, at 36 percent positive, are their worst since January 1997. And the fewest since August 1995 – 53 percent – say their own finances are in good shape.

The ABC/Money index has lost four or more points in a week only 56 times in 877 weeks of ongoing polls. It's even rarer to see two drops this big, this close: The index has lost four or more points twice in a month only 12 times. The last was in March 2001, just at the start of the most recent recession.



The ABC/Money index is based on current economic sentiment, but the poll also measures expectations on a monthly basis. As noted in the Oct. 6 report, this too has worsened, with economic pessimists outnumbering optimists by more than 3-1.

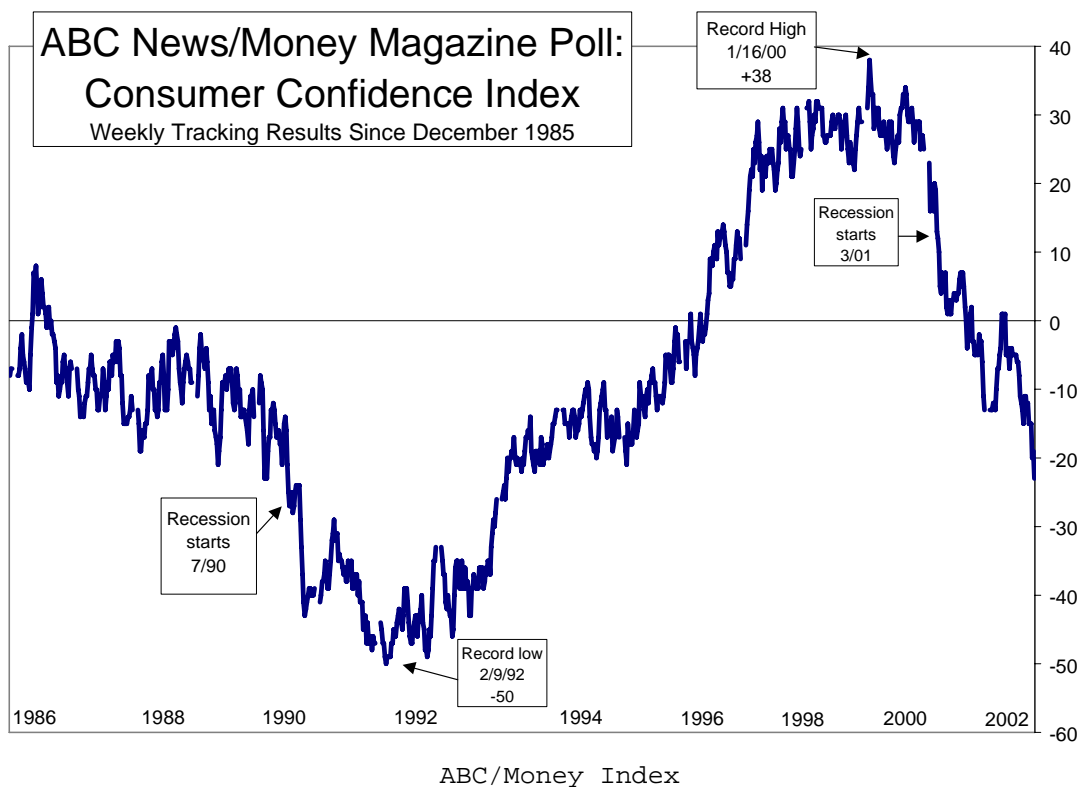
A variety of factors are at play, but fuel prices may be one. The Department of Energy reported this week that gasoline prices are their highest since Sept. 2001 – 13 cents per gallon higher than a year ago – and said further hikes are expected. Consumer confidence has proven sensitive to rising fuel prices in the past.

TREND – After starting the year at -13, the ABC/Money index steadily improved to +1 in March and mid-April. It slipped to -5 in late April, but then held steady until July, when it started heading down in the face of corporate scandals, the declining stock market and disappointing economic reports.

Its decline accelerated in the late summer and fall. The index reached -15 in early August and again in September, fell lower to -20 the week of Oct. 6, and then dropped further, to -23, this week.

At -23, the index is a huge 61 points off its record high of +38 in January 2000. Yet it's still much better than its all-time low of -50 in February 1992. Its average since December 1985 is -8; its 2002 average is -9.

Positive ratings of:	ABC News/Money magazine poll			
	This week	2002 High	2002 Low	16-yr. avg.
National economy	26	45	26	41
Buying climate	36	45	36	39
Personal finances	53	63	53	57
Consumer Comfort Index	-23	+1	-23	-8



Today	-23	
Last week	-19	
Three weeks ago	-15	
2002 high	+1	
2002 low	-23	
2002 average	-9	
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 -12 among people in higher-income households compared to -49 in the lowest, -18 among college graduates while -33 among high-school dropouts, -18 among whites but -43 among blacks and -16 among men while -30 among women.

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

NATIONAL ECONOMY – Twenty-six percent of Americans rate the nation's economy as excellent or good; it was 29 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	26	1	25	74	49	25
Avg. since 12/85	41	4	38	59	39	19

PERSONAL FINANCES – Fifty-three percent rate their own finances as excellent or good; it was 55 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	53	4	49	47	34	13
Avg. since 12/85	57	5	53	43	30	12

BUYING CLIMATE – Thirty-six percent say it's an excellent or good time to buy things they want and need, it was 38 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	36	2	34	64	44	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 1,012 interviews in the month ending Oct. 20, 2002 and have an error margin of plus or minus three percentage points. 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 Dalia Sussman.

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.

10/20/02	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	-23	-19	-15	-11	-3	1	-23	-8
State of Economy	-48	-42	-40	-28	-22	-10	-48	-28
Personal Finances	6	10	16	18	24	26	6	19
Buying Climate	-28	-24	-20	-22	-12	-4	-28	-16

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	-16	-13	-13	-5	1	9	-16	-2
Women	-30	-23	-15	-16	-7	-3	-30	-14
Age:								
18 - 34	-12	-7	-7	-7	-1	10	-12	-2
35 - 44	-19	-9	-11	-7	-4	3	-28	-10
45 - 54	-37	-32	-22	-13	-5	6	-37	-10
55 - 64	-26	-30	-21	-8	4	20	-30	-9
65 +	-34	-28	-17	-19	-13	0	-34	-16
Income:								
Under \$15K	-49	-46	-41	-44	-26	-23	-54	-42
\$15K To \$24.9K	-33	-36	-29	-25	-15	-14	-44	-28
\$25K To \$39.9K	-34	-25	-24	-12	-8	1	-34	-15
\$40K To \$49.9K	-14	-15	-23	7	-8	15	-25	-1
Over \$50K	-12	-5	6	2	16	33	-12	15
Region:								
Northeast	-29	-18	-13	-16	-9	2	-29	-11
Midwest	-23	-19	-14	-18	0	4	-23	-8
South	-25	-25	-17	-7	5	5	-26	-8
West	-15	-9	-11	-4	-16	9	-21	-7
Race:								
White	-18	-17	-13	-6	4	7	-18	-4
Black	-43	-27	-21	-44	-37	-8	-51	-34
Politics:								
Republican	2	6	7	11	19	34	2	15
Democrat	-37	-33	-26	-25	-22	-12	-37	-22
Independent	-28	-24	-18	-13	-2	-2	-28	-11
Education:								
< High School	-33	-30	-46	-24	-19	-12	-58	-33
High Sch. Grad.	-26	-22	-11	-20	-11	-3	-26	-12
College +	-18	-12	-7	0	5	13	-18	2
Home:								

Own	-21	-17	-10	-7	3	9	-21	-3
Rent	-27	-22	-24	-19	-20	-8	-29	-20
Marital Status:								
Single	-17	-10	-6	-12	0	10	-19	-6
Married	-20	-16	-14	-6	2	11	-20	-3
Sep/Wid/Div	-41	-37	-24	-24	-25	-14	-42	-27
Employ. Status:								
Full-Time	-20	-16	-8	-5	6	12	-20	0
Part-Time	-16	-7	-14	-14	-13	14	-21	-7
Not Employed	-30	-25	-22	-19	-13	-8	-30	-20

END