

## **Slight Slump in Confidence Continues**

Consumer confidence extended its fall slump this week, matching its low point of the year.

While still relatively high, confidence is off its record pace from the first nine months of the year. From January through September the ABC News/Money magazine Consumer Comfort Index averaged +29; that's slipped to +24 so far for October.

Nonetheless, the index – based on public ratings of the buying climate, national economy and personal finances – still is far better than usual in this 13-year-old weekly poll. Since late 1985 it's averaged only -12.

This week 48 percent of Americans say it's a good time to buy things, down from 54 percent this summer and a record 56 percent a year ago. Seventy-one 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.

		----- Since 12/85 -----		
Positive ratings:	Today	Highest	Lowest	Average
National Economy	71%	77	7	38
Personal Finances	66	70	42	56
Buying Climate	48	56	20	37

Twice this year the Federal Reserve has raised interest rates in an attempt to cool down the economy and keep inflation in check. The recent slippage in consumer confidence, and the increase in the Consumer Price Index reported last week, could be taken as signs that those rate hikes have had the desired effect. The Fed meets again Nov. 16.

INDEX – This week the ABC/Money index stands at +23 on its scale of -100 to +100, down one point from last week. Its average for this year is +28, compared to a full-year record of +24 last year.

	ABC/Money Index	
Today	+23	
Last week	+24	
Oct '99 average	+24	
Jan-Sep '99 average	+29	
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 +59 in higher-income households compared to -34 in the lowest; +42 among college graduates but -20 among high-school dropouts; +27 among whites but -1 among blacks; and +31 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, the same as 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, same as 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	22	12
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-eight 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	48%	4	44	52	35	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 1,036 interviews in the month ending Oct. 24 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>

10/24/99	This Week	Last Week	4 Wks Ago	3 Mo. Ago	1 Yr. Ago	12 Mo High	12 Mo Low	12 Mo Avg
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Group	-----							
GENERAL POPULATION:								
Overall Index	23	24	25	30	21	32	21	28
State of Economy	42	42	42	54	36	54	36	46
Personal Finances	32	32	34	30	30	40	28	34
Buying Climate	-4	-2	0	6	-2	12	-4	3
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OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	31	32	37	37	32	44	30	35
Women	15	15	14	22	11	31	11	20
Age:								
18 - 34	19	24	25	35	18	35	17	27
35 - 44	13	16	28	26	27	40	13	28
45 - 54	31	25	25	28	25	41	13	28
55 - 64	31	27	23	17	13	47	12	27
65 +	28	25	20	29	22	37	17	27
Income:								
Under \$15K	-34	-36	-25	-29	-29	-11	-42	-23
\$15K To \$24.9K	5	4	-6	7	-5	8	-15	-1
\$25K To \$39.9K	9	8	17	19	18	38	8	24
\$40K To \$49.9K	31	39	46	48	39	56	28	42
Over \$50K	59	58	59	60	52	67	52	60
Region:								
Northeast	31	37	34	27	15	42	15	29
Midwest	28	29	20	29	29	41	20	32
South	20	17	17	31	19	31	14	22
West	13	14	33	30	21	43	13	28
Race:								
White	27	28	29	34	23	37	23	31
Black	-1	-7	-3	-2	9	22	-10	5
Politics:								
Republican	41	41	35	42	28	49	28	39
Democrat	20	15	21	29	28	35	15	26
Independent	15	20	25	25	16	34	15	24
Education:								
< High School	-20	-19	-20	-12	-6	6	-27	-9
High Sch. Grad.	14	16	24	24	14	31	10	20
College +	42	41	42	46	36	52	36	45
Home:								
Own	34	35	30	36	31	40	26	33
Rent	-3	-3	10	13	1	26	-3	11
Marital Status:								
Single	8	12	20	31	16	36	8	24
Married	33	35	30	33	28	41	27	34

Sep/Wid/Div	-3	-9	7	11	4	18	-9	6
Employ. Status:								
Full-Time	34	34	32	37	26	44	26	36
Part-Time	22	24	27	28	26	38	5	22
Not Employed	9	9	14	18	10	26	6	16