

## **Confidence Slips Back to its Midsummer Lows**

Consumer confidence dropped this week to its lowest level in three months, perhaps tripped up by anxiety about its future direction. Positive views of the economy and the buying climate lost ground, but Americans' ratings of their own finances held steady.

This week's drop accelerates gradual slippage since the end of August. But confidence remains very high by historical standards: Sixty-eight percent of Americans still say the economy is in good shape, down three points this week but far above its average of just 35 percent in more than 12 years of weekly polls.

Forty-nine percent call it a good time to buy things, down two points but still 13 points above average. And 65 percent rate their finances positively, 10 points better than usual.

		Positive Ratings		
	Today	Record high	Record low	12-year avg.
National Economy	68%	76	7	35
Personal Finances	65	70	42	55
Buying Climate	49	55	20	36

**WORRY** - The drop coincides with some concern about the economy's future. An ABC News poll this week found that 63 percent of Americans are worried about the economy's direction in the next few years, though just 14 percent are "very worried."

Looking back produces a brighter picture: Just 10 percent say their family's finances have worsened in the last two years; 38 percent say they've improved and 49 percent say theirs have remained about the same. The number saying they're worse off is the lowest going into any election at least since 1984. (See ABC News poll of 10/26.)

**INDEX** - The ABC News/Money magazine Consumer Comfort Index, based on ratings of the economy, buying climate and personal finances, stands at +21 on its scale of -100 to +100, down four points this week, down 10 points from its record high Aug. 30, and its lowest since July 19. The index has averaged +23 for the year, compared to a previous best year of +5 and a lifetime average of -15.

	ABC/Money Index
Today	+21
Last week	+25
July 19	+19
Aug. 30	+31

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	-15	

Some consumer confidence polls include, or are based on, measures of consumer expectations for the future economy. The ABC/Money index, instead, is based solely on views of current economic conditions, which are more grounded in personal experience.

Call the ABC News Polling Unit, ext. 2621, for a chart tracking the ABC/Money index over time.

**GROUPS** - Confidence in current economic conditions lags in economically vulnerable groups. The ABC/Money index is +32 among men but +11 among women, +23 among whites but +9 among blacks, +52 in higher-income households but -29 in the lowest and +36 among people who've attended college but -6 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? Sixty-eight 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	68	9	59	32	25	7
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, unchanged 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? Forty-nine percent say excellent or good, down two points. 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	49	4	45	51	35	16
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 1,025 interviews in the month ending Oct. 25 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 on America Online (keyword "ABC Polls").

10/25/98	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	21	25	27	22	5	31	5	21
State of Economy	36	42	46	40	10	52	10	35
Personal Finances	30	30	34	28	16	40	16	28
Buying Climate	-2	2	2	-2	-10	10	-14	-1
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OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	32	34	33	36	16	40	13	30
Women	11	16	21	8	-6	21	-6	12
Age:								
18 - 34	18	23	29	17	-2	29	-2	16
35 - 44	27	30	24	9	5	37	5	22
45 - 54	25	24	30	24	12	38	6	22
55 - 64	13	24	29	45	4	47	4	26
65 +	22	23	23	23	11	35	-2	22
Income:								
Under \$15K	-29	-19	-15	-22	-41	-6	-46	-27
\$15K To \$24.9K	-5	-2	18	-9	-27	18	-27	-2
\$25K To \$39.9K	18	22	10	24	0	25	0	15
\$40K To \$49.9K	39	42	42	35	7	60	7	38
Over \$50K	52	56	62	61	45	66	33	55
Region:								
Northeast	15	20	25	31	-1	37	-2	19
Midwest	29	35	38	21	10	40	6	27
South	19	23	23	12	2	29	2	18
West	21	21	22	27	10	40	2	19
Race:								
White	23	27	30	25	10	33	10	25
Black	9	10	3	7	-32	15	-32	-7
Politics:								
Republican	28	32	39	34	18	46	17	34
Democrat	28	30	28	28	-1	35	-2	19

Independent	16	23	20	12	4	30	0	15
Education:								
< High School	-6	2	-9	-7	-34	14	-38	-13
High Sch. Grad.	14	21	20	8	-4	27	-4	13
College +	36	36	43	40	24	48	22	37
Home:								
Own	31	34	33	26	14	39	14	28
Rent	1	3	12	9	-18	15	-18	2
Marital Status:								
Single	16	22	21	17	-7	34	-7	16
Married	28	29	33	32	14	36	14	27
Sep/Wid/Div	4	13	9	-7	-20	18	-22	0
Employ. Status:								
Full-Time	26	28	35	29	14	37	14	28
Part-Time	26	31	28	16	3	31	-5	13
Not Employed	10	16	13	12	-8	25	-8	11