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ABC NEWS/MONEY CONSUMER INDEX - 10/26/97  
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Confidence is Steady;  
Still Well Above Norm

Most Americans rate the economy and their own finances positively in the latest ABC News/Money magazine poll, a sign of the confidence that seems to have bucked up investors in the gyrating stock market.

The poll - completed Sunday, before the market's wild swings - found that 55 percent of Americans rate the economy positively, 58 percent say their own finances are in good shape and 45 percent call it a good time to shop.

While these views are down from their record highs in September, they're still much brighter than usual. This confidence seems to have played a role in turning Monday's 554-point loss in the Dow Jones Industrial Average into Tuesday's 337-point gain.

In a separate ABC News Nightline poll Monday night, 68 percent thought the market's fall did not signal an economic downturn; fewer than four in 10 called it a sign of broader problems in the economy; and most expected the market to stabilize in the short term and go back up in the long term.

Among owners of stocks or mutual fund shares, only one percent planned to sell; 80 percent said they'd sit tight and 17 percent called it a buying opportunity. Analysts say small investors played a key role in Tuesday's market turnaround.

INDEX - The ABC/Money Consumer Comfort Index, based on views of the economy, personal finances and the buying climate, stands at +5, unchanged from last week. This is its lowest since June 8, down from an 11-year record of +14 on Sept. 7. It's averaged +3 this year, a record.

#### ABC/Money Index

Today	+5	
Sept. 7	+14	record high
1997 average	+3	
1996 average	-11	
1991-95	-33	
1986-90	-9	
1986-present	-19	

GAUGES - While it's lost ground in the last month, confidence still is much better than usual. Ratings of the economy are 22 points better than their average since late 1985, when this poll began. Views of the buying climate are 10 points better than average; ratings of personal finances, three points better.

	Positive Ratings	
	Today	11-yr avg.
National Economy	55%	33%
Buying Climate	45	35
Personal Finances	58	55

In an additional question, more than seven in 10 say the economy is getting better or holding steady, while a quarter say it's worsening. Seven years ago, early in the 1990-91 recession, those numbers were reversed.

GROUPS - Confidence lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is +16 among men but -6 among women; +10 among whites but -32 among blacks; +45 in higher-income households but -41 in the lowest; and +24 among people who've attended college but -34 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, up a point this week. It's averaged 53 percent this year and 33 percent for the life of the index. The best was 62 percent positive in August and September; the worst, 93 percent negative in late 1991 and early 1992.

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

BUYING CLIMATE - Fifty-five percent call this a bad time to buy things, up two points this week. It's averaged 58 percent negative this year and 65 percent for the life of the index. 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	58% pos	55% 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. This week's results are based on 1,044 interviews in the month ending Oct. 26 and have an error margin of plus or minus three percentage points. The question on the economy's direction was conducted among 526 respondents Oct. 15-26; that result has a 4.5-point error margin. 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 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.

10/26/97	This Week	Last Week	4 Wks Ago	3 Mo. Ago	1 Yr. Ago	12 Mo High	12 Mo Low	12 Mo Avg
Group								
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GENERAL POPULATION:								
Overall Index	5	5	10	9	-9	14	-9	2
State of Economy	10	8	16	12	-16	24	-16	4
Personal Finances	16	14	22	24	16	28	10	19
Buying Climate	-10	-6	-8	-8	-26	-4	-30	-17
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OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	16	15	19	20	-4	28	-4	13
Women	-6	-4	1	-1	-14	6	-19	-8
Age:								
18 - 34	-2	0	8	7	-11	17	-11	0
35 - 44	5	8	15	3	-21	15	-21	1
45 - 54	12	6	2	9	-1	19	-12	3
55 - 64	4	0	5	11	5	26	-17	5
65 +	11	12	18	20	-5	35	-10	8
Income:								
Under \$15K	-41	-39	-31	-27	-41	-24	-56	-40
\$15K To \$24.9K	-27	-28	-6	-15	-35	7	-35	-19
\$25K To \$39.9K	0	0	9	1	-15	20	-15	2
\$40K To \$49.9K	7	6	21	15	11	33	-4	11
Over \$50K	45	47	41	46	18	51	12	37
Region:								
Northeast	-1	-4	4	11	-13	14	-16	-1
Midwest	10	12	20	9	2	20	-8	7
South	2	-1	3	9	-12	20	-14	1
West	10	15	15	10	-13	21	-17	3
Race:								
White	10	11	16	15	-10	19	-10	7
Black	-32	-32	-30	-10	-10	0	-42	-23
Politics:								
Republican	18	19	24	20	-8	31	-12	14
Democrat	-1	3	4	7	0	12	-10	2
Independent	4	1	9	4	-17	16	-17	-4
Education:								
< High School	-34	-36	-19	-10	-35	-5	-44	-25
High Sch. Grad.	-4	-3	-1	-5	-11	5	-19	-7
College +	24	25	27	25	2	30	2	18
Home:								
Own	14	12	16	13	-4	21	-4	9
Rent	-18	-14	-6	-2	-21	2	-27	-15
Marital Status:								
Single	-7	-5	-1	9	-17	12	-17	-2
Married	14	13	17	13	-4	23	-7	9
Sep/Wid/Div	-20	-17	-8	-1	-20	0	-29	-17
Employ. Status:								
Full-Time	14	12	14	14	-4	25	-5	10

Part-Time	3	0	10	10	-29	15	-29	-4
Not Employed	-8	-5	2	3	-9	9	-21	-6