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ABC NEWS/MONEY CONSUMER INDEX - 11/24/96
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CONSUMER CONFIDENCE HITS
A NEW HIGH FOR THE 1990s

Consumer confidence vaulted to its best level in nearly eight years this week, riding a post-election surge fueled by near-record ratings of the national economy, the latest ABC News/Money magazine poll has found.

Forty-nine percent of Americans say the economy is in "excellent" or "good" shape, up seven points since the election, the most since September 1988 and one point short of the record in the 10-year-old weekly poll.

Even more people, 58 percent, give a positive rating to their own finances. In the poll's one lagging measure, only 39 percent call this a good time to buy things - better than usual, but not as good as Christmas retailers might like.

These three gauges comprise the ABC/Money Consumer Comfort Index, which is up three points this week to -3 on its scale of +100 to -100, its best since Jan. 22, 1989. It's up from an average of -12 this year, -15 last year and -39 from mid-1990 to 1993, when recession sent confidence into the tank.

	ABC/Money Index
Today	-3
1996 average	-12
1995	-15
1994	-19
1990-93	-39
1989	-11
1988	-9
1987	-10
1986	-3

SPENDING - The improvement in confidence does not necessarily portend a booming Christmas shopping season, in part because ratings of the buying climate are weaker than those of the economy and personal finances.

Also, improving views of the current economy are not translating into broad optimism about the future. Just 38 percent of Americans expect to be better off financially by the end of next year - essentially no better than at this time in 1994, when the index was -18.

A separate ABC/Money question on holiday spending last month indicated a better year for retailers, but perhaps modestly so. The good sign was that just a third of Americans planned to spend less money on gifts, the least since 1989. But just 11 percent planned to spend more, the least since 1992.

ECONOMY - Views of the economy are the most striking element of the ABC/Money index. In early 1992 just seven percent of Americans rated the economy positively; by the start of this year it was up to 34 percent. Now, at 49 percent, it's about as good as it gets. (Very few people ever have been willing to call the economy "excellent"; the record is only five percent.)

The public's rating of the economy is now eight points better than its pre-recession average; clearly this is powering the overall strength of consumer confidence. Ratings of personal finances are one point better than their 1986-90 average, and ratings of the buying climate are tied with that average.

All are far better than their average from 1990-93. The current figures show that the recovery from that long drought in confidence is now complete.

	Today	1990-93	1986-90
Negative on national economy	51	85	59
Negative on buying climate	61	74	61
Positive on personal finances	58	49	57

RECENT TREND - The index reached -5 in mid-October, a seven-year-high, then slipped to -9 in advance of the election as Republicans and some independents anticipated Bob Dole's defeat at the polls.

Today the index remains very strong among Democrats, +8, but also has recovered among Republicans as their election wounds heal: It's improved from -12 among Republicans last month to +2 today. Confidence usually is higher among Republicans, because they tend to have higher incomes, so there's room for more improvement, if the economy cooperates.

GROUPS - Confidence lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is +8 among men but -12 among women; +1 among whites but -21 among blacks; +23 in higher-income households but -35 in the lowest; and +8 among people who have attended college but -28 among high school dropouts.

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

NATIONAL ECONOMY- Fifty-one percent rate the economy negatively, down four points from last week. It's averaged 62 percent this year, compared to 85 percent from 1990-93 and 59 percent from 1986-1990. The worst, 93 percent, was in late 1991 and early 1992; the best, 50-50, was April 27, 1986. The average for the life of the index is 69 percent negative.

PERSONAL FINANCES - Fifty-eight percent rate their finances positively, up one point this week. It's averaged 57 percent this year, compared to 49 percent in the 1990-93 slump and 57 percent before the recession. The worst was 58 percent negative March 14, 1993; the best, 62 percent positive Dec. 20, 1987. The full average is 54 percent positive.

BUYING CLIMATE - Sixty-one percent call this a bad time to buy things, down two points from last week. It's averaged 63 percent this year, compared to 74 percent during the 1990-93 slump and 61 percent before the recession. The worst is 80 percent negative Nov. 2 and Oct. 28, 1990; the best, 52 percent positive May 11, 1986. The full average is 66 percent negative.

	National Economy	Personal Finances	Buying Climate
This week	51% neg	58% pos	61% neg
1996 Average	62% neg	57% pos	63% neg

Recession Average (mid-1990 to 1993)	85% neg	51% neg	74% neg
Pre-Recession Avg. (1986 to mid-1990)	59% neg	57% pos	61% neg
Full Average (1986-1995)	69% neg	54% pos	66% neg
Worst	93% neg	58% neg	80% neg
Best	50% pos	62% 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. Interviewing by ICR-International Communications Research of Media, Pa. This week's results are based on 1,041 interviews in the month ending Nov. 24 and have an error margin of plus or minus 3.5 percentage points. The question on expectations was done among 522 respondents Nov. 13-24; that result has a five-point error margin.

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.

11/24/96	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	-3	-7	-7	-11	-17	-3	-21	-12
State of Economy	-2	-8	-16	-20	-32	-2	-38	-25
Personal Finances	16	14	18	16	8	22	8	14
Buying Climate	-22	-26	-24	-30	-28	-18	-36	-25

	OVERALL INDEX BY DEMOGRAPHIC GROUPS							
Sex:								
Men	8	3	-5	3	-9	8	-9	-1
Women	-12	-15	-9	-24	-24	-8	-33	-22
Age:								
18 - 34	-5	-5	-11	-7	-11	-3	-23	-10
35 - 44	-4	-10	-19	-14	-16	-3	-23	-14
45 - 54	-1	-8	6	-11	-19	12	-36	-13
55 - 64	8	7	8	-25	-14	12	-40	-12
65 +	-2	-10	-5	-10	-27	9	-34	-11
Income:								
Under \$15K	-35	-40	-40	-48	-47	-35	-61	-49

\$15K To \$24.9K	-22	-30	-30	-25	-44	-12	-48	-31
\$25K To \$39.9K	-6	0	-19	-14	-15	0	-26	-13
\$40K To \$49.9K	26	22	8	10	-2	26	-31	3
Over \$50K	23	14	21	18	17	35	12	22
Region:								
Northeast	-7	-11	-17	-18	-26	-7	-34	-19
Midwest	4	3	5	-3	-14	10	-15	-2
South	-2	-9	-8	-10	-15	-2	-24	-13
West	-5	-10	-10	-16	-15	6	-23	-13
Race:								
White	1	-5	-5	-8	-12	1	-15	-8
Black	-21	-14	-22	-39	-53	-10	-56	-38
Politics:								
Republican	2	-9	-5	-3	5	11	-12	1
Democrat	8	6	-7	-10	-21	8	-28	-14
Independent	-12	-12	-9	-15	-25	-8	-26	-16
Education:								
< High School	-28	-44	-32	-28	-47	-28	-49	-39
High Sch. Grad.	-4	-7	-9	-22	-22	-4	-30	-19
College +	8	8	3	2	-1	11	-6	3
Home:								
Own	4	0	-1	-4	-9	4	-15	-5
Rent	-18	-19	-20	-30	-37	-13	-37	-28
Marital Status:								
Single	-6	-7	-20	-14	-5	0	-26	-13
Married	1	-3	0	-4	-13	2	-18	-7
Sep/Wid/Div	-9	-16	-20	-32	-45	-9	-45	-30
Employ. Status:								
Full-Time	4	0	-1	-5	-12	7	-14	-4
Part-Time	-21	-25	-22	-21	-18	-8	-35	-19
Not Employed	-5	-11	-9	-18	-25	-5	-33	-22