

Confidence Puts Public In Buying Mood

Good news for retailers: Americans are in a buying mood this holiday season.

Consumer confidence rose for the third week in a row, with the component of greatest interest to merchants – public ratings of the buying climate – reaching its highest point in a year. Fifty-five percent of Americans now call it a good time to buy things, just a point shy of the nearly 14-year record set last November, and almost 20 points more than usual.

This is a stark turnaround from a month ago, when positive ratings of the buying climate bottomed out at 48 percent, the lowest of the year. That increase is atypical: In most years ratings of the buying climate remain relatively stable as the holidays approach.

An ABCNews.com poll last week found a new place *where* many Americans will shop, with 18 percent saying they planned to buy some holiday gifts online. This poll suggests that whatever channel they choose, many shoppers are ready to spend. Indeed, retailers reported robust Thanksgiving weekend sales after a disappointing November.

BROAD GAIN - Consumer confidence more broadly has gained ground sharply in the last month, after two months in something of a slump. Rising incomes, low inflation, low interest rates and low unemployment are making this the best year on record for confidence since ABC News and Money magazine began tracking it December 1985.

In addition to strong ratings for the buying climate, this week 73 percent of Americans rate the economy positively and 66 percent say their own finances are in good shape. Both of these are four points off their all-time highs.

		----- Since 12/85 -----		
Positive ratings:	Today	Highest	Lowest	Average
National Economy	73%	77	7	38
Personal Finances	66	70	42	56
Buying Climate	55	56	20	37

INDEX - The ABC/Money Consumer Comfort Index, based on these gauges, is up for the third week in a row, to +29 on its scale of +100 to -100. The index had dropped to its lowest point in a year, +22, on Nov. 7.

	ABC/Money Index	
Today	+29	
Last week	+27	
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 +65 in higher-income households compared to -32 in the lowest; +45 among college graduates but -2 among high-school dropouts; +34 among whites but -1 among blacks; and +38 among men compared to +21 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-three percent say excellent or good, up one point 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	73%	12	61	27	20	7
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, the 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	25	9
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? Fifty-five percent say excellent or good, up two points 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	55%	4	51	45	30	15
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 1,041 interviews in the month ending Nov. 28 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>

11/28/99	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	29	27	23	27	31	32	22	28
State of Economy	46	42	40	42	46	54	38	46
Personal Finances	32	32	30	34	34	40	28	33
Buying Climate	10	8	0	4	12	12	-4	4

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	38	35	30	36	42	44	30	35
Women	21	19	15	18	19	31	11	20
Age:								
18 - 34	19	19	18	26	27	35	16	27
35 - 44	32	30	19	28	30	40	13	28
45 - 54	33	30	30	23	30	41	13	28
55 - 64	42	30	22	22	32	47	13	28
65 +	29	26	26	32	36	37	17	27
Income:								
Under \$15K	-32	-31	-30	-18	-15	-11	-42	-23
\$15K To \$24.9K	6	8	11	-7	4	12	-15	-1
\$25K To \$39.9K	28	24	17	21	24	38	8	25
\$40K To \$49.9K	43	34	27	39	42	56	27	42
Over \$50K	65	60	54	63	66	67	53	60
Region:								
Northeast	34	29	21	28	27	42	16	29
Midwest	33	37	27	27	38	41	20	32
South	30	27	24	26	20	31	14	23
West	18	15	15	25	39	43	13	27
Race:								
White	34	31	27	29	33	37	26	31
Black	-1	-1	2	11	0	22	-10	5
Politics:								
Republican	44	41	39	39	37	49	32	39
Democrat	32	33	21	23	30	35	15	26
Independent	15	16	19	23	30	34	13	24
Education:								
< High School	-2	-6	-17	-16	-5	6	-27	-10
High Sch. Grad.	21	17	12	16	21	31	12	20
College +	45	44	41	49	49	52	38	45
Home:								

Own	39	37	34	31	36	40	26	34
Rent	4	5	-1	14	10	26	-3	11
Marital Status:								
Single	27	27	13	35	21	36	8	24
Married	37	31	30	32	37	41	27	34
Sep/Wid/Div	3	6	0	-1	5	18	-9	6
Employ. Status:								
Full-Time	39	36	32	35	44	44	30	36
Part-Time	32	25	20	14	14	38	5	22
Not Employed	13	14	11	20	14	26	6	16

END