

Consumer Confidence Ties Record Level

Consumer confidence regained its nearly 13-year peak this week, tying the record high it set three months ago in the ongoing ABC News/Money magazine poll. And in an early holiday gift for retailers, more consumers than ever call this a good time to spend money.

This week's rise in confidence—the fourth weekly advance in a row—erases an autumn dip and continues an extraordinary year for public satisfaction with economic conditions. Confidence is not only better than ever, it's there by a powerful margin.

This week 56 percent of Americans call it a good time to buy things, 20 points more than usual and the most since this poll began in late 1985. Seventy-three percent rate the national economy favorably, nearly 40 points better than usual. And 67 percent say their personal finances are in good condition, a dozen points above the norm.

		Positive Ratings		
	Today	Record high	Record low	13-year avg.
Buying Climate	56%	56	20	36
National Economy	73	76	7	36
Personal Finances	67	70	42	55

Overall consumer confidence, based on these three gauges, has set new highs nine times this year, blowing away its previous records. Much of the credit for goes to the unusually robust economy, with its rising wages, abundant jobs, practically non-existent inflation and consumer-friendly interest rates.

A look back to the 1990-91 recession and its subsequent hangover shows the strength of confidence today. During consumers' 1990-93 blue period, an average of just 15 percent said the economy was in good condition, compared to today's 73 percent. And twice as many now say it's a good time to buy things.

BETTER OFF - Confidence in the economy has remained resilient even amid warnings the party may be winding down—including Asia's economic crisis and suggestions of a stock market "bubble" that may be set to burst. Despite these concerns, 45 percent of Americans say they expect to be better off financially at this point next year, roughly the same level as last year and up from 37 percent in November 1994.

INDEX - The ABC/Money Consumer Comfort Index, based on ratings of the economy, personal finances and the buying climate, rose three points this week to +31 on its scale of -100 to +100, tying the record set Aug. 30. The index has averaged +24 this year, compared to a previous best year of +5 and a lifetime average of -15.

	ABC/Money	Index
Today	+31	Ties record
Last week	+28	
Aug. 30	+31	Record high
1998 average (to date)	+24	
1997 average	+5	Best full year
1992 average	-44	Worst full year
Feb. 9, 1992	-50	Record low
Average since 12/85	-15	

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

GROUPS - The index rose to record levels among demographic groups that typically are more secure financially. The index rose two points among men to +42, five points among affluent consumers to +66, five points among full time employees to +44, and three points among college grads to +49.

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? Seventy-three percent say excellent or good, up two points from last 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	73	8	65	27	22	5
Avg. since 12/85	36	2	33	64	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-seven percent say excellent or good, unchanged from last 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	67	6	61	33	25	8
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? Fifty-six percent say excellent or good, up two points to break the record of 55 percent set Aug. 30. The worst rating, 20 percent, was set in fall 1990.

	Pos. NET	Excel.	Good	Neg. net	Not good	Poor
This week	56	3	53	44	31	13
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 1,032 interviews in the month ending Nov. 29 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 Ben Fitzpatrick.

ABC News polls are available at ABCNews.com on the internet.

11/29/98	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	31	28	21	31	11	31	9	22
State of Economy	46	42	36	42	20	52	20	38
Personal Finances	34	34	30	40	26	40	16	29
Buying Climate	12	8	-4	10	-12	12	-12	0

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	42	40	31	40	18	42	18	32
Women	19	16	12	21	5	21	-4	13
Age:								
18 - 34	27	23	18	22	6	29	2	17
35 - 44	30	30	27	37	8	37	6	24
45 - 54	30	29	26	34	13	38	9	24
55 - 64	32	23	12	34	21	47	12	27
65 +	36	36	18	32	19	36	-2	23
Income:								
Under \$15K	-15	-16	-34	-6	-28	-6	-42	-25
\$15K To \$24.9K	4	6	3	1	-2	18	-27	0
\$25K To \$39.9K	24	21	22	18	13	25	5	17
\$40K To \$49.9K	42	35	32	51	18	60	15	39
Over \$50K	66	61	53	62	35	66	35	57
Region:								
Northeast	27	25	20	24	8	37	4	21
Midwest	38	36	25	35	15	40	13	29
South	20	16	15	27	9	29	3	19
West	39	39	27	36	14	40	2	21
Race:								
White	33	33	25	33	16	33	13	26

Black	0	-9	1	8	-15	15	-21	-4
Politics:								
Republican	37	38	32	43	29	46	17	35
Democrat	30	26	26	29	9	35	7	22
Independent	30	28	15	20	3	30	3	17
Education:								
< High School	-5	-1	-6	2	-28	14	-38	-10
High Sch. Grad.	21	17	10	27	13	27	1	15
College +	49	46	37	42	24	49	24	39
Home:								
Own	36	35	30	39	17	39	16	30
Rent	10	6	0	10	-2	15	-11	4
Marital Status:								
Single	21	21	14	30	-3	34	-3	18
Married	37	35	29	36	23	37	15	29
Sep/Wid/Div	5	-1	-1	10	-17	18	-17	2
Employ. Status:								
Full-Time	44	39	27	37	16	44	16	30
Part-Time	14	7	22	21	6	31	-5	15
Not Employed	14	18	9	23	6	25	-6	12