

SURVEY#: 507 DATE: 2/06/96 TO 9/09/99 #INT: 1 GEN USA
ABC NEWS/MONEY CONSUMER INDEX - 12/1/96
EMBARGOED FOR RELEASE AFTER 6:30 p.m. Wednesday, Dec. 4, 1996

CONSUMER CONFIDENCE
SOARS TO NEW HEIGHTS

Public ratings of the national economy soared to a record high in the 11-year-old ABC News/Money magazine poll this week, and overall consumer confidence climbed to its best level since September 1988.

Confidence has been surging since the Nov. 5 election, a trend that should help retailers in their crucial holiday season. But the boost may be mitigated by relative weakness in consumer spending plans.

The ABC/Money poll asks Americans to rate the economy, their personal finances and the buying climate. Today 52 percent say the economy is in "excellent" or "good" shape - up 10 points since the election and a majority for the first time since the weekly survey began on Dec. 8, 1985.

Even more people, 59 percent, give a positive rating to their own finances, three points shy of the record. In the poll's one lagging measure, 38 percent call this a good time to buy things - 14 points off the record, and not as good as Christmas retailers might like.

INDEX - These three gauges comprise the ABC/Money Consumer Comfort Index, which jumped another two points this week to -1 on its scale of +100 to -100. That's its best since Sept. 4, 1988; any further gains would push it to levels of consumer confidence unseen since 1986. (The record high is +6.)

The index has rocketed above its recent averages, -12 this year, -15 last year and -39 from mid-1990 to 1993, when recession sent it into the tank. It has averaged -20 over its 11-year life, incorporating nearly 150,000 interviews.

ABC/Money Index	
Today	-1
1996 average	-12
1995	-15
1994	-19
1990-93	-39
1987-89	-10
1986	-3
Full average	-20

SPENDING - A separate ABC/Money question on holiday spending last month indicated a better showing for retailers than the dreary 1995 season, but perhaps not quite a full-tilt banner year. Just a third of consumers said they planned to spend less money on gifts, the least since 1989. But just 11 percent planned to spend more, the least since 1992.

ECONOMY - The public's rating of the economy is now a startling 11 points better than its pre-recession average from 1986-90; clearly this is powering consumer confidence. Ratings of personal finances are two points better than their

1986-90 average, and ratings of the buying climate are one point worse.

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.

Positive ratings for	Today	1990-93	1986-90
National economy	52	15	41
Buying climate	38	26	39
Personal finances	59	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, +10, but also has recovered among Republicans as their election wounds heal: It's improved from -12 among Republicans last month to +1 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 -9 among women; +4 among whites but -23 among blacks; +27 in higher-income households but -32 in the lowest; and +9 among people who have attended college but -20 among high school dropouts.

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

NATIONAL ECONOMY- Fifty-two percent rate the economy positively, up three points to a record in this 11-year-old survey. It's averaged 62 percent negative 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 average for the life of the index is 69 percent negative.

PERSONAL FINANCES - Fifty-nine 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-two percent call this a bad time to buy things, up one point 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	52% pos	59% pos	62% 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 Dec. 1 and have an error margin of plus or minus 3.5 percentage points.

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.

12/01/96	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	-1	-3	-9	-11	-17	-1	-21	-12
State of Economy	4	-2	-16	-20	-34	4	-38	-24
Personal Finances	18	16	16	14	10	22	8	14
Buying Climate	-24	-22	-26	-26	-28	-18	-36	-25

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	8	8	-4	3	-5	8	-9	0
Women	-9	-12	-14	-24	-28	-8	-33	-21
Age:								
18 - 34	-1	-5	-11	-3	-11	-1	-23	-10
35 - 44	0	-4	-21	-20	-22	0	-23	-14
45 - 54	1	-1	-1	-4	-18	12	-36	-12
55 - 64	5	8	5	-36	-7	12	-40	-12
65 +	-4	-2	-5	-8	-28	9	-34	-10
Income:								
Under \$15K	-32	-35	-41	-52	-51	-32	-61	-49
\$15K To \$24.9K	-21	-22	-35	-26	-40	-12	-48	-31
\$25K To \$39.9K	1	-6	-15	-9	-13	1	-26	-13
\$40K To \$49.9K	15	26	11	12	-4	26	-31	4
Over \$50K	27	23	18	18	21	35	12	22
Region:								

Northeast	-8	-7	-13	-17	-25	-7	-34	-18
Midwest	7	4	2	2	-13	10	-15	-2
South	1	-2	-12	-14	-12	1	-24	-13
West	-5	-5	-13	-14	-21	6	-23	-13
Race:								
White	4	1	-10	-6	-12	4	-15	-7
Black	-23	-21	-10	-43	-45	-10	-56	-37
Politics:								
Republican	1	2	-8	-6	-1	11	-12	0
Democrat	10	8	0	-12	-19	10	-28	-13
Independent	-9	-12	-17	-12	-24	-8	-26	-16
Education:								
< High School	-20	-28	-35	-38	-41	-20	-49	-39
High Sch. Grad.	-4	-4	-11	-18	-25	-4	-30	-18
College +	9	8	2	4	-1	11	-6	4
Home:								
Own	5	4	-4	-5	-9	5	-15	-5
Rent	-13	-18	-21	-28	-36	-13	-37	-28
Marital Status:								
Single	-2	-6	-17	-7	-6	0	-26	-13
Married	3	1	-4	-7	-13	3	-18	-6
Sep/Wid/Div	-12	-9	-20	-32	-43	-9	-43	-29
Employ. Status:								
Full-Time	10	4	-4	-3	-10	10	-14	-3
Part-Time	-13	-21	-29	-18	-21	-8	-35	-19
Not Employed	-11	-5	-9	-21	-26	-5	-33	-21