

## **Americans Plan to Spend Slightly Less this Holiday Season**

Americans say they expect to spend a bit less on gifts this holiday season than they did last year. But more this year are still unsure, leaving the overall outlook for retailers an open question.

An ABC News/Money Magazine poll finds that Americans expect to spend an average of \$798 on holiday gifts, down from the record-high of \$869 reported last year. The difference is in the number of big spenders. Twenty-three percent say they'll spend over \$1,000, compared to 28 percent last year. Even so, this year's average is the second highest in polls dating to 1989.

But, as noted, there's more uncertainty this year. Eight percent still don't know how much they'll spend, up from one percent last year.

Average spending plans on holiday gifts	
12/3/00	\$798
12/12/99	\$869
12/6/98*	\$702
12/5/94	\$634
12/6/93	\$639
12/18/92	\$605
12/15/91	\$617
12/2/90	\$588
10/15/89	\$634

\*1998 and previous by Gallup

Lower ratings of the buying climate this holiday season may be one reason for the dip in spending expectations. Forty-nine percent of Americans call it a good time to buy things, down from fifty-six percent at this time last year. The record high is 57 percent, set last January.

**BIG SPENDERS** – Naturally, those with higher-incomes plan to spend much more. People in households making more than \$75,000 say they'll spend an average of \$1,437. It's less than half that, \$627, in households earning less than \$75,000. Women also expect to spend somewhat more than men this year - \$843 compared to \$752. Last year it was the opposite, men were the bigger spenders.

Average spending plans	
Under \$75,000	\$ 627
Over \$75,000	\$1,437

Men	\$ 752
Women	\$ 843

CONFIDENCE – Overall, consumer confidence remains strong. Seventy-seven percent of Americans rate the national economy positively, three points from the record high set in January. Sixty-eight percent say their own finances are in good shape, just two points from its high, last reached at the beginning of the year.

Positive ratings:	Today	Highest	Lowest	Average
National Economy	77%	80	7	41
Personal Finances	68	70	42	57
Buying Climate	49	57	20	38

INDEX - The ABC News/Money magazine Consumer Comfort Index, based on these ratings, stands at +29 on its scale of +100 to -100, the same as last week. The index peaked at +38 last January. It's averaged +29 this year, a point above its record 1999 average. Its lifetime average, depressed by recession in the early 1990s, is -10.

	ABC/Money Index	
Today	+29	
Jan. 16, 2000	+38	Record high
2000 average	+29	
1999 average	+28	Best full year
1992 average	-44	Worst full year
Feb. 9, 1992	-50	Record low
Average since 12/85	-10	

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

GROUPS - As usual, confidence is higher among better-off Americans: The index is +64 in higher-income households compared to -11 in the lowest, +43 among college graduates but -9 among high-school dropouts, +32 among whites but +7 among blacks and +31 among men but +25 among women.

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

NATIONAL ECONOMY- Seventy-seven percent of Americans rate the nation's economy as excellent or good, unchanged from the previous three weeks. The best was 80 percent Jan. 16. The worst was seven percent in late 1991 and early 1992.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	77	10	67	23	17	7
Avg. since 12/85	41	4	37	59	39	20

PERSONAL FINANCES - Sixty-eight percent rate their own finances as excellent or good, up one point from last week. The best was 70 percent, set Aug. 30, 1998 and last matched in January. The worst rating was 42 percent on March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	68	7	61	32	25	7
Avg. since 12/85	57	5	52	43	31	13

BUYING CLIMATE – Forty-nine percent say it's an excellent or good time to buy things they want and need, down one point from last week. The best was 57 percent Jan. 16. The worst was 20 percent in fall 1990.

	Pos. NET	Excel.	Good	Neg. net	Not good	Poor
This week	49	4	45	51	38	13
Avg. since 12/85	38	3	36	62	41	21

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 1,036 interviews in the month ending Dec. 3 and have an error margin of plus or minus three percentage points. The question on holiday spending was conducted Nov. 29 through Dec. 3 among 1,005 respondents; those results also 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 Aaron Frechette.

ABC News polls can be found at ABCNEWS.com on the Internet, at:

<http://abcnews.go.com/sections/politics/PollVault/PollVault.html>

12/03/00	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	29	28	34	31	38	23	29
State of Economy	54	54	52	56	48	60	40	50
Personal Finances	36	34	34	38	34	40	30	34
Buying Climate	-2	0	-2	8	12	14	-6	3
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	OVERALL INDEX BY DEMOGRAPHIC GROUPS							
Sex:	-----							
Men	31	31	33	45	39	45	30	36
Women	25	27	22	23	22	30	13	22

Age:								
18 - 34	28	25	26	34	19	37	16	27
35 - 44	25	24	26	23	32	37	15	27
45 - 54	30	32	36	34	41	45	11	32
55 - 64	25	33	32	51	36	51	13	31
65 +	32	36	20	32	34	45	12	29
Income:								
Under \$15K	-11	-12	-8	-14	-29	-8	-36	-21
\$15K To \$24.9K	-4	0	-1	-9	2	26	-20	0
\$25K To \$39.9K	12	15	22	24	29	33	12	23
\$40K To \$49.9K	29	39	41	36	41	60	19	39
Over \$50K	64	65	57	66	66	68	54	61
Region:								
Northeast	39	41	24	34	33	48	17	33
Midwest	30	36	34	42	34	46	17	32
South	23	16	24	26	31	31	16	22
West	24	31	29	36	21	43	17	32
Race:								
White	32	34	32	37	35	43	25	33
Black	7	4	1	7	2	25	-15	1
Politics:								
Republican	41	45	44	33	47	55	31	42
Democrat	22	22	21	32	33	38	7	27
Independent	28	29	25	39	16	39	16	24
Education:								
< High School	-9	-13	-21	-9	0	13	-23	-9
High Sch. Grad.	21	22	17	23	20	32	8	19
College +	43	47	50	53	48	53	38	47
Home:								
Own	35	37	34	42	40	44	31	36
Rent	12	10	12	14	4	19	2	9
Marital Status:								
Single	21	16	31	35	21	42	9	26
Married	33	36	32	37	38	44	30	34
Sep/Wid/Div	18	19	6	19	9	27	-3	9
Employ. Status:								
Full-Time	35	34	35	39	38	44	28	35
Part-Time	27	31	28	39	27	40	11	26
Not Employed	18	21	16	22	18	29	10	20

249. Roughly how much money do you think you personally will spend on holiday gifts this Christmas season?

	Under \$100	\$100-\$249	\$250-\$499	\$500-\$999	\$1000 or more	No op./Don't celebrate	Don't Know	Mean
12/3/00	2	18	16	25	23	8	8	\$798
12/12/99	4	19	16	25	28	8	1	\$869

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