

Holiday Spending Plans Look Good, if Not Perfect

Americans' holiday spending plans show continued strength in the latest ABC News/Money magazine poll, while consumer confidence slipped slightly from last week's record-tying level.

In welcome news to retailers, fewer consumers say they're going to spend less on gifts this season than at any point since December 1985, when ABC and Money first asked the question. Just 27 percent say they'll cut back on their holiday spending, down from a peak of 47 percent during the 1990-91 recession.

However, the number who plan to spend more, at 16 percent, is below its levels of the late 1980s—suggesting a good season for retailers this year, but perhaps not a stellar one.

	Plan to Spend		
	More	Less	Same
12/05/98	16	27	55
10/25/98	19	28	52
11/9/97	17	30	52
10/15/95	13	36	50
10/17/93	14	38	47
10/20/91	11	47	40
10/22/89	20	32	47
10/26/87	17	29	53
12/17/85	25	28	45

(Partial Trend)

CONFIDENCE - Consumer confidence, though down for the first week after four weeks of advances, is remarkably strong. Seventy-one percent say the economy is in good shape, double the usual number. Fifty-five percent say it's a good time to buy goods, down one point from last week's record. And 67 percent say their own finances are good.

These three measures have reached record levels a total of 12 times this year.

	Today	Positive Ratings		13-year avg.
		Record high	Record low	
National Economy	71%	76	7	36
Buying Climate	55	56	20	36
Personal Finances	67	70	42	55

INDEX - The ABC/Money Consumer Comfort Index, based on these ratings, dropped slipped two points from last week's record-tying level to +29 on its scale of -100 to +100.

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	+29	
Last week	+31	Tied record high set 8/30
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 - As usual, the index is highest among more financially secure groups: +66 among those making over \$50,000 a year, +49 among college graduates, +43 among full-time workers and +41 among men, compared to +18 among women.

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-one percent say excellent or good, down 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	71%	9	62	29	24	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 for the third consecutive 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	26	7
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-five percent say excellent or good, down one point from the record of 56 percent set last week. 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	32	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 1,030 interviews in the month ending Dec. 6 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 can be found at ABCNews.com on the Internet, and are available to news and research organizations via e-mail. To join the e-mail list send a request to Ben.Fitzpatrick@ABC.com

12/06/98	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	29	31	23	29	13	31	9	23
State of Economy	42	46	38	42	22	52	20	38
Personal Finances	34	34	32	36	24	40	16	29
Buying Climate	10	12	-2	8	-8	12	-10	1

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	41	42	30	40	23	42	18	32
Women	18	19	15	18	3	21	-4	13
Age:								
18 - 34	26	27	18	25	11	29	2	18
35 - 44	32	30	22	33	6	37	6	24
45 - 54	27	30	31	27	9	38	9	24
55 - 64	31	32	19	33	20	47	12	27
65 +	32	36	22	29	23	36	-2	24
Income:								
Under \$15K	-16	-15	-30	-10	-27	-6	-42	-25
\$15K To \$24.9K	1	4	1	6	-2	18	-27	0
\$25K To \$39.9K	22	24	19	13	14	25	5	17
\$40K To \$49.9K	33	42	32	60	15	60	15	39
Over \$50K	66	66	55	60	39	66	39	58
Region:								
Northeast	22	27	25	30	13	37	4	21
Midwest	41	38	24	33	13	41	13	29
South	20	20	17	22	12	29	3	19
West	36	39	27	32	15	40	2	21
Race:								
White	31	33	27	32	17	33	13	27
Black	10	0	-5	5	-18	15	-21	-4
Politics:								
Republican	37	37	34	44	26	46	17	35
Democrat	30	30	24	26	10	35	7	22

Independent	24	30	19	16	7	30	7	18
Education:								
< High School	-15	-5	-2	-5	-30	14	-38	-10
High Sch. Grad.	22	21	11	22	14	27	1	15
College +	49	49	39	44	27	49	24	39
Home:								
Own	34	36	31	36	18	39	16	30
Rent	11	10	1	12	-1	15	-11	4
Marital Status:								
Single	27	21	18	24	3	34	-2	19
Married	36	37	30	35	23	37	15	29
Sep/Wid/Div	-2	5	0	9	-12	18	-14	2
Employ. Status:								
Full-Time	43	44	28	36	17	44	17	31
Part-Time	5	14	27	26	6	31	-5	15
Not Employed	15	14	12	16	8	25	-6	13

216. Compared to last year, would you say this Christmas you will spend more, less, or about the same on presents for friends and family?

	Plan to Spend			Don't	No
	More	Less	Same	Celeb (vol.)	Opin.
12/05/98	16	27	55	1	1
10/25/98	19	28	52	-	1
11/9/97	17	30	52	1	0
10/12/97	18	36	36	3	6
12/8/96	14	35	48	3	0
10/13/96	11	33	55	1	0
11/26/95	13	38	48	1	0
10/15/95	13	36	50	1	0
11/27/94	15	34	48	1	1
10/16/94	14	34	51	0	1
10/17/93	14	38	47	0	0
11/29/92	10	41	47	2	1
10/18/92	12	41	45	1	-
10/20/91	11	47	40	1	0
10/21/90	14	38	45	1	1
10/22/89	20	32	47	1	1
10/30/88	16	32	51	-	-
12/17/87	25	29	45	*	1
10/26/87	17	29	53	1	*
11/30/86	17	36	46	-	-
12/17/85	25	28	45	3	-