

Confidence Approaches Record Levels

Consumer confidence, up for the fourth week straight, is now a whisker away from its record high in 14 years of weekly polls. And it comes at just the right time for retailers – in the midst of the holiday shopping season.

Americans' ratings of the buying climate tied their record high this week, at 56 percent positive – up eight points in six weeks and now 19 points better than average. Even more, 74 percent, rate the economy positively, and 67 percent say their own finances are in good shape – each just a few points off its all-time high.

| | Today | Highest | Lowest | Average |
|-------------------|-------|---------|--------|---------|
| Positive ratings: | | | | |
| National Economy | 74% | 77 | 7 | 38 |
| Personal Finances | 67 | 70 | 42 | 56 |
| Buying Climate | 56 | 56 | 20 | 37 |

INDEX –The ABC News/Money magazine Consumer Comfort Index, based on these gauges, stands at +31 on its scale of +100 to –100, a single point from its record. Floating on rising incomes, low inflation, low interest rates and low unemployment, the index has averaged +28 all year; 1999 is sure to be its best year ever, beating an average of +24 last year. Compare that to its lifetime average, a tepid –12.

| | ABC/Money | Index |
|---------------------|-----------|-------------------|
| Today | +31 | |
| Last week | +29 | |
| 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 +66 in higher-income households compared to -29 in the lowest; +48 among college graduates but 0 among high-school dropouts; +35 among whites but +2 among blacks; and +39 among men compared to +22 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-four percent say excellent or good, up one point from 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 | 74% | 13 | 61 | 26 | 20 | 6 |
| 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-seven percent say excellent or good, up one point from 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 | 67% | 7 | 60 | 33 | 25 | 8 |
| 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-six percent say excellent or good, up one point from last week. This ties the record set on Nov. 29, 1998; the worst rating, 20 percent, was set in fall 1990.

| | Pos. NET | Excel. | Good | Neg. net | Not good | Poor |
|------------------|----------|--------|------|----------|----------|------|
| This week | 56% | 5 | 51 | 44 | 32 | 12 |
| 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 1,040 interviews in the month ending Dec. 5 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>

| 12/05/99 | 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 | 31 | 29 | 22 | 29 | 29 | 32 | 22 | 28 |
| State of Economy | 48 | 46 | 38 | 46 | 42 | 54 | 38 | 46 |
| Personal Finances | 34 | 32 | 28 | 38 | 34 | 40 | 28 | 33 |
| Buying Climate | 12 | 10 | 0 | 2 | 10 | 12 | -4 | 4 |
| ----- | | | | | | | | |
| OVERALL INDEX BY DEMOGRAPHIC GROUPS | | | | | | | | |
| Sex: | | | | | | | | |
| Men | 39 | 38 | 33 | 33 | 41 | 44 | 30 | 35 |
| Women | 22 | 21 | 11 | 24 | 18 | 31 | 11 | 20 |
| Age: | | | | | | | | |
| 18 - 34 | 19 | 19 | 16 | 25 | 26 | 35 | 16 | 26 |
| 35 - 44 | 32 | 32 | 23 | 30 | 32 | 40 | 13 | 28 |
| 45 - 54 | 41 | 33 | 26 | 35 | 27 | 41 | 13 | 28 |
| 55 - 64 | 36 | 42 | 22 | 23 | 31 | 47 | 13 | 28 |
| 65 + | 34 | 29 | 20 | 28 | 32 | 37 | 17 | 27 |
| Income: | | | | | | | | |
| Under \$15K | -29 | -32 | -28 | -18 | -16 | -11 | -42 | -23 |
| \$15K To \$24.9K | 2 | 6 | 2 | -6 | 1 | 12 | -15 | -1 |
| \$25K To \$39.9K | 29 | 28 | 21 | 25 | 22 | 38 | 8 | 25 |
| \$40K To \$49.9K | 41 | 43 | 28 | 38 | 33 | 56 | 27 | 42 |
| Over \$50K | 66 | 65 | 55 | 64 | 66 | 67 | 53 | 60 |
| Region: | | | | | | | | |
| Northeast | 33 | 34 | 24 | 28 | 22 | 42 | 16 | 29 |
| Midwest | 34 | 33 | 22 | 28 | 41 | 41 | 20 | 32 |
| South | 31 | 30 | 24 | 26 | 20 | 31 | 14 | 24 |
| West | 21 | 18 | 14 | 33 | 36 | 43 | 13 | 27 |
| Race: | | | | | | | | |
| White | 35 | 34 | 26 | 32 | 31 | 37 | 26 | 31 |
| Black | 2 | -1 | -3 | 13 | 10 | 22 | -10 | 5 |
| Politics: | | | | | | | | |
| Republican | 47 | 44 | 40 | 42 | 37 | 49 | 32 | 40 |
| Democrat | 33 | 32 | 20 | 30 | 30 | 35 | 15 | 26 |
| Independent | 16 | 15 | 14 | 20 | 24 | 34 | 13 | 23 |
| Education: | | | | | | | | |
| < High School | 0 | -2 | -21 | -6 | -15 | 6 | -27 | -10 |
| High Sch. Grad. | 20 | 21 | 16 | 16 | 22 | 31 | 12 | 20 |
| College + | 48 | 45 | 38 | 49 | 49 | 52 | 38 | 45 |
| Home: | | | | | | | | |
| Own | 40 | 39 | 32 | 31 | 34 | 40 | 26 | 34 |
| Rent | 4 | 4 | 0 | 19 | 11 | 26 | -3 | 11 |
| Marital Status: | | | | | | | | |
| Single | 21 | 27 | 20 | 25 | 27 | 36 | 8 | 24 |
| Married | 38 | 37 | 27 | 37 | 36 | 41 | 27 | 34 |
| Sep/Wid/Div | 9 | 3 | -3 | 2 | -2 | 18 | -9 | 6 |
| Employ. Status: | | | | | | | | |
| Full-Time | 38 | 39 | 32 | 33 | 43 | 43 | 30 | 36 |
| Part-Time | 27 | 32 | 17 | 30 | 5 | 38 | 5 | 23 |
| Not Employed | 18 | 13 | 8 | 21 | 15 | 26 | 6 | 16 |

END