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ABC NEWS/MONEY CONSUMER INDEX - 12/7/97
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Glad Tidings for
Consumer Confidence

The nirvana economy - with its plentiful jobs, rising pay and low inflation - is making this the brightest holiday season on record in 12 years of weekly polls by ABC News and Money magazine.

Sixty-one percent of Americans now say the economy is in good shape, one point short of the record. Sixty-two percent say their own finances are good, two points off the record. And 46 percent call this a good time to spend money - not a majority, but 11 points more than usual.

The ABC/Money Consumer Comfort Index, based on these three gauges, gained two points this week to +13 on its scale of +100 to -100. That's just one point shy of its record high, +14 on Sept 7. The poll began 12 years ago this week, on Dec. 8, 1985.

RECOVER - Confidence has recovered sharply from an October dip, with the index rising eight points in the last seven weeks. It's now far above its lifetime average of -18 and on pace for a record year, averaging +4 in 1997 compared to a previous one-year best of -3 in 1986.

Rather than focusing on Asia's economic turmoil or gyrations in the U.S. stock markets, average Americans seem more impressed by their growing wages - up 2 percent in real terms in the last 12 months, a 20-year high; unemployment, now at a 24-year low; and inflation, barely over 2 percent.

ABC/Money Index			
1997*	+4	1991	-37
1996	-11	1990	-24
1995	-15	1989	-11
1994	-19	1988	-10
1993	-37	1987	-9
1992	-44	1986	-3
*to date			

SCORES - Ratings of the national economy are leading the index; they're a huge 28 points better than their 12-year average. Ratings of the buying climate are 11 points better than average; ratings of personal finances, seven points better.

	Positive Ratings	
	Today	12-yr avg.
National Economy	61%	33%
Personal Finances	62	55
Buying Climate	46	35

EXPECTATIONS - Expectations of continued economic progress are strong. In a wildcard question this week, just six percent of Americans said they expect to be worse financially off at the end of 1998 than they are now; 48 percent expect

to be better off, 44 percent the same. By contrast, at about this time last year 38 percent - 10 points fewer - expected to be better off.

Year-Out Expectations			
	Better off	Worse off	Same
12/97	48	6	44
11/96	38	8	48

GROUPS - High as it is, confidence lags in economically vulnerable groups, including women, blacks, the poor and the less-educated. The index is +23 among men compared to +3 among women; +17 among whites but -18 among blacks; +39 in higher-income households but -27 in the lowest; and +27 among people who've attended college but -30 among high school dropouts.

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

NATIONAL ECONOMY- Sixty-one percent rate the economy positively, up one point this week. It's averaged 54 percent this year and 33 percent for the life of the index. The best was 62 percent positive in August and September; the worst, 93 percent negative in late 1991 and early 1992.

PERSONAL FINANCES - Sixty-two percent rate their finances positively, down one point. It's averaged 60 percent this year and 55 percent for the life of the index. The best was 64 percent positive Aug. 3; the worst, 58 percent negative March 14, 1993.

BUYING CLIMATE - Fifty-four percent call this a bad time to buy things, down two points. It's averaged 58 percent negative this year and 65 percent for the life of the index. The worst was 80 percent negative Nov. 2 and Oct. 28, 1990; the best, 52 percent positive May 11, 1986.

	National Economy	Personal Finances	Buying Climate
This week	61% pos	62% pos	54% neg
1997 Average	54% pos	60% pos	58% neg
Full Average	67% neg	55% pos	65% neg
Worst	93% neg	58% neg	80% neg
Best	62% pos	64% 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. This week's results are based on 1,053 interviews in the month ending Dec. 7 and have an error margin of plus or minus three percentage points. The wildcard question was conducted Nov. 26-Dec. 7 among 529 adults; that result has a 4.5-point error margin.

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 (keyword "ABC Polls") and on ABC News' internet site, ABCNEWS.COM.

12/07/97	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	13	11	6	14	-2	14	-8	4
State of Economy	22	20	14	24	-4	24	-8	7
Personal Finances	24	26	18	22	20	28	10	20
Buying Climate	-8	-12	-14	-4	-22	-4	-30	-15

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	23	18	13	27	6	28	4	14
Women	3	5	0	2	-10	6	-19	-6
Age:								
18 - 34	11	6	-2	14	-3	17	-10	1
35 - 44	6	8	8	8	-5	15	-13	3
45 - 54	9	13	9	12	6	19	-12	4
55 - 64	20	21	11	26	3	26	-17	6
65 +	23	19	12	14	-3	35	-10	10
Income:								
Under \$15K	-27	-28	-44	-43	-40	-24	-56	-39
\$15K To \$24.9K	-2	-2	-20	3	-17	7	-34	-17
\$25K To \$39.9K	14	13	2	19	2	20	-8	3
\$40K To \$49.9K	15	18	26	31	-4	33	-4	11
Over \$50K	39	35	37	46	34	51	25	39
Region:								
Northeast	13	8	-1	10	-5	14	-16	1
Midwest	13	15	6	12	-2	20	-8	8
South	12	9	9	20	-1	20	-13	2
West	15	14	8	9	-1	21	-10	5
Race:								
White	17	16	12	19	2	19	-3	9
Black	-18	-15	-29	-10	-18	0	-42	-23
Politics:								
Republican	26	29	21	26	7	31	0	17
Democrat	10	9	2	7	7	12	-10	2
Independent	7	3	4	16	-13	16	-16	-2
Education:								
< High School	-30	-28	-29	-5	-23	-5	-41	-24
High Sch. Grad.	14	13	2	1	-10	14	-19	-5
College +	27	24	22	28	11	30	9	20
Home:								
Own	18	17	16	21	1	21	-4	11
Rent	-1	-2	-18	-4	-11	2	-27	-14
Marital Status:								
Single	3	-3	-7	8	-5	12	-16	-1
Married	23	23	16	23	3	23	-3	11

Sep/Wid/Div	-12	-17	-18	-13	-16	0	-29	-17
Employ. Status:								
Full-Time	17	16	15	25	8	25	-1	11
Part-Time	6	6	-3	9	-14	15	-22	-1
Not Employed	8	6	-3	0	-12	9	-21	-5