

Overall Confidence Still High, But

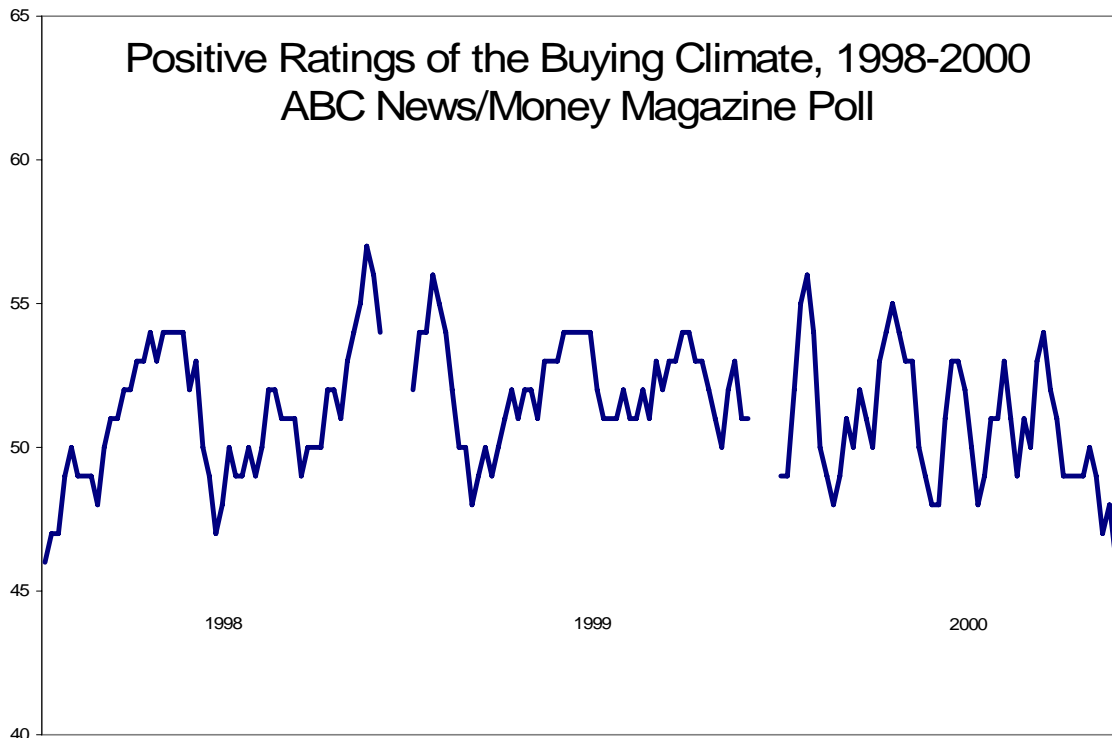
Ratings of the Buying Climate Their Lowest in Three Years

Public ratings of the buying climate have dipped to their lowest level in three years, underscoring the difficulty reported by many retailers this holiday season and raising questions more broadly about the economy's prospects.

Forty-six percent of Americans call it a good time to spend money, the fewest since Jan. 4, 1998. The relative weakness in this measure, which presaged the soft retail season, may reflect consumer concern over rising fossil fuel prices.

At the same time, however, two other gauges of consumer confidence – views of the national economy and personal finances – remain within sight of their all-time highs, apparently undaunted by talk of a possible downturn.

Seventy-seven percent still rate the national economy positively, just three points from the record high and a huge 35 points more than the 15-year average in this weekly poll. Similarly, 67 percent say their own finances are good, also three points from the record.



All evidence suggests that Americans base their economic views on personal experience. Rising incomes, low inflation, low unemployment and tolerable interest rates have been prime factors in the strong consumer confidence of the last few years. But fuel prices have risen sharply lately, and the concurrent weakness in ratings of the buying climate is cause for concern, since consumer spending is the economy's main engine.

| | Today | ----- Since 12/85 ---- | | Average |
|-------------------|-------|------------------------|--------|---------|
| Positive ratings: | | Highest | Lowest | |
| National Economy | 76% | 80 | 7 | 41 |
| Personal Finances | 67 | 70 | 42 | 57 |
| Buying Climate | 46 | 57 | 20 | 38 |

INDEX – The ABC News/Money magazine Consumer Comfort Index, based on these ratings, stands at +27 on its scale of +100 to –100, unchanged this week. While that's well below its peak of +38 last January, the index has averaged a strong +29 this year, a point above its record 1999 average. Its lifetime average, depressed by recession in the early 1990s, is -9.

| | ABC/Money | Index |
|---------------------|-----------|-----------------|
| Today | +27 | |
| 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 | - 9 | |

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 +54 in higher-income households compared to -18 in the lowest, +35 among college graduates while +6 among high-school dropouts, +28 among whites but +7 among blacks and +32 among men while +20 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, up a point from last week. 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 | 9 | 67 | 23 | 17 | 6 |
| Avg. since 12/85 | 41 | 4 | 37 | 59 | 39 | 20 |

PERSONAL FINANCES - Sixty-seven percent rate their own finances as excellent or good, same as 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 | 67 | 6 | 61 | 33 | 25 | 8 |
| Avg. since 12/85 | 57 | 5 | 52 | 43 | 31 | 13 |

BUYING CLIMATE – Forty-six percent say it's an excellent or good time to buy things they want and need, down a 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 | 46 | 3 | 43 | 54 | 40 | 14 |
| 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 1,022 interviews in the month ending Dec. 24 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 Gary Langer.

ABC News polls can be found at ABCNEWS.com on the Internet, at: <http://abcnews.go.com/sections/politics/PollVault/PollVault.html>

| 12/24/00 | 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 | 27 | 27 | 29 | 29 | 29 | 38 | 23 | 29 |
| State of Economy | 54 | 52 | 54 | 54 | 50 | 60 | 40 | 50 |
| Personal Finances | 34 | 34 | 34 | 30 | 32 | 40 | 30 | 34 |
| Buying Climate | -8 | -6 | 0 | 4 | 4 | 14 | -8 | 2 |
| ----- | | | | | | | | |
| OVERALL INDEX BY DEMOGRAPHIC GROUPS | | | | | | | | |
| Sex: | ----- | | | | | | | |
| Men | 32 | 30 | 31 | 32 | 41 | 45 | 28 | 35 |
| Women | 20 | 23 | 27 | 27 | 17 | 30 | 13 | 22 |
| Age: | ----- | | | | | | | |
| 18 - 34 | 28 | 28 | 25 | 32 | 22 | 37 | 16 | 27 |
| 35 - 44 | 28 | 30 | 24 | 26 | 31 | 36 | 15 | 26 |
| 45 - 54 | 30 | 29 | 32 | 31 | 36 | 45 | 11 | 32 |
| 55 - 64 | 20 | 12 | 33 | 25 | 26 | 51 | 12 | 30 |
| 65 + | 19 | 25 | 36 | 28 | 29 | 45 | 12 | 29 |

| | | | | | | | | |
|------------------|-----|-----|-----|-----|-----|----|-----|-----|
| Income: | | | | | | | | |
| Under \$15K | -18 | -13 | -12 | -23 | -28 | -8 | -36 | -20 |
| \$15K To \$24.9K | 5 | 4 | 0 | -11 | 5 | 26 | -20 | 0 |
| \$25K To \$39.9K | 30 | 22 | 15 | 18 | 32 | 32 | 12 | 22 |
| \$40K To \$49.9K | 17 | 15 | 39 | 48 | 37 | 60 | 15 | 38 |
| Over \$50K | 54 | 58 | 65 | 65 | 59 | 68 | 54 | 61 |
| Region: | | | | | | | | |
| Northeast | 25 | 34 | 41 | 32 | 39 | 48 | 17 | 32 |
| Midwest | 22 | 22 | 36 | 40 | 25 | 46 | 17 | 32 |
| South | 30 | 27 | 16 | 19 | 20 | 30 | 16 | 22 |
| West | 24 | 24 | 31 | 33 | 37 | 43 | 17 | 32 |
| Race: | | | | | | | | |
| White | 28 | 29 | 34 | 33 | 35 | 43 | 25 | 33 |
| Black | 7 | 14 | 4 | 7 | -8 | 25 | -15 | 2 |
| Politics: | | | | | | | | |
| Republican | 34 | 37 | 45 | 39 | 55 | 55 | 31 | 41 |
| Democrat | 26 | 26 | 22 | 31 | 25 | 38 | 7 | 27 |
| Independent | 24 | 25 | 29 | 22 | 20 | 39 | 16 | 24 |
| Education: | | | | | | | | |
| < High School | 6 | -4 | -13 | -23 | -14 | 13 | -23 | -8 |
| High Sch. Grad. | 20 | 22 | 22 | 24 | 26 | 32 | 8 | 19 |
| College + | 35 | 39 | 47 | 50 | 43 | 53 | 35 | 47 |
| Home: | | | | | | | | |
| Own | 32 | 31 | 37 | 35 | 36 | 44 | 31 | 36 |
| Rent | 12 | 17 | 10 | 16 | 10 | 19 | 2 | 10 |
| Marital Status: | | | | | | | | |
| Single | 35 | 33 | 16 | 27 | 17 | 42 | 9 | 27 |
| Married | 29 | 29 | 36 | 33 | 36 | 44 | 29 | 34 |
| Sep/Wid/Div | 1 | 5 | 19 | 17 | 10 | 27 | -3 | 9 |
| Employ. Status: | | | | | | | | |
| Full-Time | 34 | 36 | 34 | 40 | 37 | 44 | 28 | 35 |
| Part-Time | 26 | 17 | 31 | 26 | 19 | 40 | 11 | 26 |
| Not Employed | 14 | 16 | 21 | 17 | 20 | 29 | 10 | 20 |