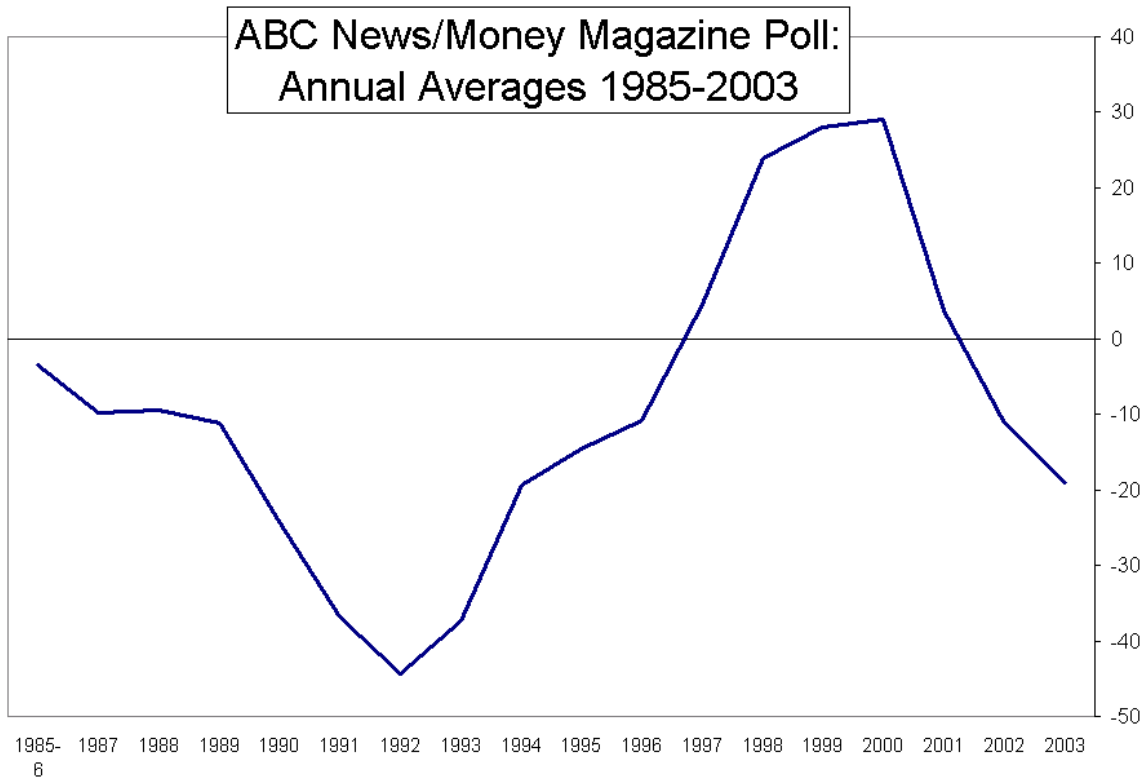


## **Consumer Confidence 2003: Low Year Ends on High Note**

Consumer confidence ended a down year on an upswing, with a late surge removing some of the tarnish from the worst annual performance in nine years.

The ABC News/Money magazine Consumer Comfort Index finished 2003 averaging -19 on its scale of +100 to -100, the lowest since 1994. It could have been worse. Against a backdrop of war jitters and a slow recovery from recession, the index bottomed out at -28 in March, then spent six months in a rut before a late gain – nine points in seven weeks – brought it to -9 for each of the last two weeks. That’s a 17-month high, and it matches the index’s long-term average.

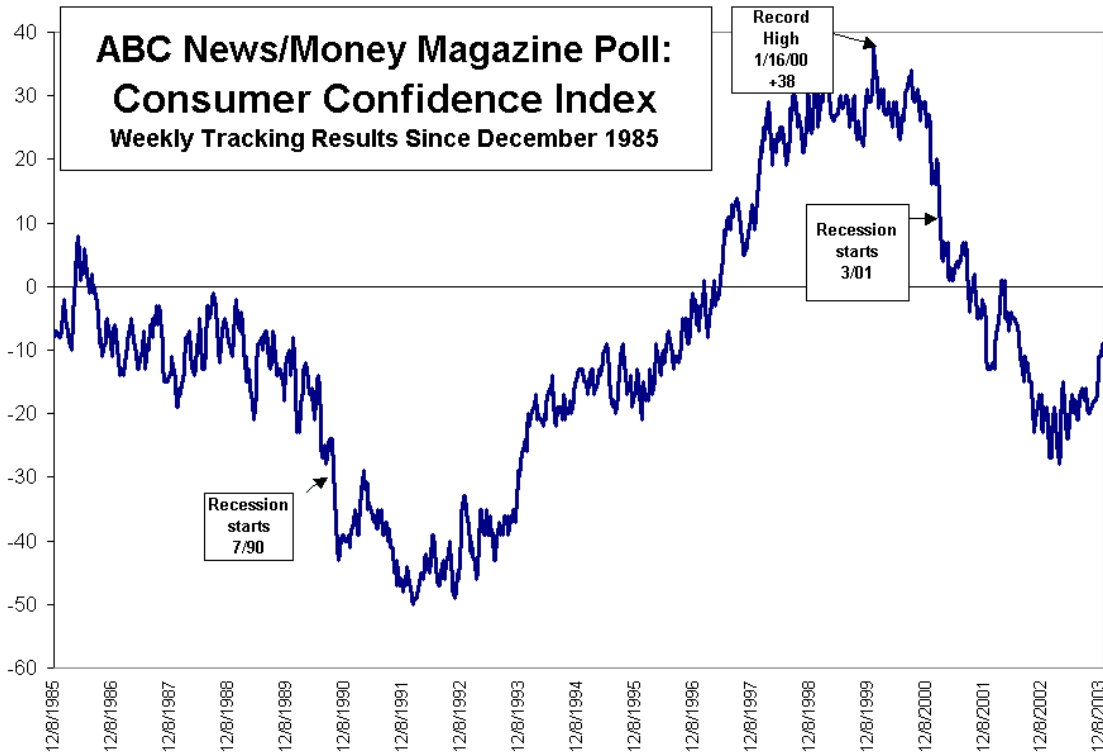
Despite the lackluster annual performance, all three components of the index – ratings of the national economy, personal finances and buying climate – closed out 2003 within two points of their lifetime averages. This week’s positive economic rating, 41 percent, is the highest of the year and the best since June 2002. It’s also the first time since then that the economic component topped the buying climate rating.



ABC/Money annual averages

2003	-19
2002	-11
2001	4
2000	29
1999	28
1998	24
1997	5
1996	-11
1995	-15
1994	-19

The annual average is down 48 points since reaching +29 in 2000, its best year on record. It averaged +4 in 2001 and -11 in 2002 before dropping another eight points this year. The index has been worse, though, averaging -44 in 1992. The index was as low as -50 in February 1992 and as high as +38 in 2000. The lifetime average, as noted, is -9.



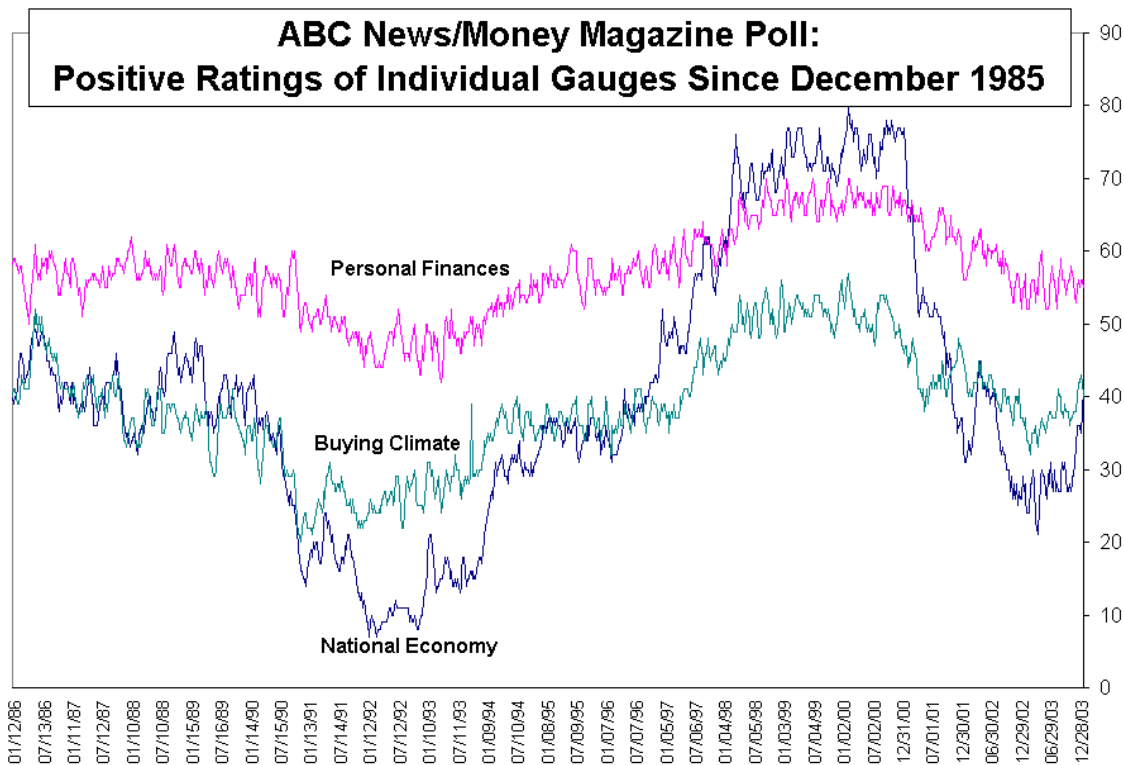
ABC/Money Index

Today	-9	
Last week	-9	
2003 low	-28	March 23
2003 high	-9	Dec. 21
2003 average	-19	
2002 average	-11	
2001 average	+4	
2000 average	+29	Best full year
1992 average	-44	Worst full year

Jan. 16, 2000	+38	Record high
Feb. 9, 1992	-50	Record low
Average since 12/85	-9	

COMPONENTS – The economic rating showed the most improvement during the year. It’s up 20 points since bottoming out at 21 percent as the war with Iraq started in March, and up 12 points in the last two months. It averaged 29 percent this year and 40 percent over the 18-year history of the ABC News/Money index.

Forty percent call it a good time to buy things, a point above the long-term average. This year’s low, 32 percent, came in early February. The high, 43 percent, came in mid-December, just in time for the holiday shopping season. Fifty-five percent say their own finances are OK, two points below average. The high for the year, 60 percent, was in April, after the fast fall of Baghdad. This rating bottomed out at 52 percent on seven occasions, most recently in mid-July.



ABC News/Money magazine poll					
Positive ratings of:	This week	Last week	2003 high	2003 low	18-yr. avg.
National economy	41%	38	41	21	40
Buying climate	40	42	43	32	39
Personal finances	55	56	60	52	57
Consumer Comfort Index	-9	-9	-9	-28	-9

LOOKING AHEAD – The end-of-year boost in confidence was accompanied by rosier views of the economy’s future, which are measured separately. It also coincided with a recent improvement in George W. Bush’s economic ratings.

In mid-December, 35 percent in the ABC News/Money poll said the economy was improving while 27 percent said it was getting worse. That was only the second time this year that optimists outnumbered pessimists. The first was in November. Positive expectations were up 10 points in three months and 26 points above the 2003 low, at the start of the Iraq war. They were last at this level in May 2002.

GROUPS – As usual, confidence is higher among better-off Americans. This week, the index is +21 among higher-income people while -58 among those with the lowest incomes, +9 among college graduates while -35 among high-school dropouts, and -5 among whites but -33 among blacks.

The index is better for men (-6) than for women (-13), but women have closed the gap. A year ago, the index was -10 for men and -27 for women.

Partisan and regional differences persist. The index is +28 among Republicans and -37 among Democrats. For independents, it’s -8, the best of the year. The index is best in the West (+5, a high for the year). It is worst, -25, in the Midwest. The index is at -7 in the South, one point off the annual high and -12 in the Northeast, matching last week’s high for the year.

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

NATIONAL ECONOMY – Forty-one percent of Americans rate the nation's economy as excellent or good; it was 38 percent last week, and 27 percent at the end of 2002. The highest was 80 percent on Jan. 16, 2000. The lowest was seven percent in late 1991 and early 1992.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	41	2	39	59	40	19
Avg. since 12/85	40	4	37	60	40	20

PERSONAL FINANCES – Fifty-five percent rate their own finances as excellent or good. It was 56 percent last week, and 55 percent at the end of last year. The best was 70 percent on Aug. 30, 1998, and matched in January 2000. The worst was 42 percent on March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	55	4	51	45	30	15
Avg. since 12/85	57	5	52	43	30	12

BUYING CLIMATE – Forty percent say it's an excellent or good time to buy things. It was 42 percent last week and 36 percent at the end of 2002. The best was 57 percent on Jan. 16, 2000. The worst was 20 percent in fall 1990.

	Pos. NET	Excel.	Good	Neg. net	Not good	Poor
This week	40	4	36	60	40	20
Avg. since 12/85	39	3	36	61	41	20

**METHODOLOGY** - The ABC News/Money magazine Consumer Comfort Index represents a rolling average based on telephone interviews with a random sample of about 1,000 adults nationwide each month. This week's results are based on 1,000 interviews in the month ending Dec. 28, 2003, and have an error margin of plus or minus three percentage points. Field work was done by ICR-International Communications Research of Media, Pa.

The ABC/Money index is derived by subtracting the negative response to each index question 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 David Morris.

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

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12/28/03	This Week	Last Week	4 Wks Ago	3 Mo. Ago	1 Yr. Ago	12 Mo High	12 Mo Low	12 Mo Avg
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Group	-----							
GENERAL POPULATION:								
Overall Index	-9	-9	-11	-19	-21	-9	-28	-19
State of Economy	-18	-24	-28	-46	-46	-18	-58	-43
Personal Finances	10	12	12	12	10	20	4	11
Buying Climate	-20	-16	-16	-24	-28	-14	-36	-26
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OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	-6	-7	-1	-12	-16	-1	-19	-10
Women	-13	-12	-19	-25	-26	-12	-38	-27
Age:								
18 - 34	-9	-7	-8	-15	-9	-4	-25	-16
35 - 44	-6	-14	-16	-21	-28	-6	-28	-18
45 - 54	-7	-4	-8	-14	-30	-4	-41	-21
55 - 64	-12	-8	-12	-30	-19	-8	-39	-21
65+	-16	-14	-9	-20	-33	-9	-33	-23
Income:								
Under \$15K	-58	-46	-44	-53	-51	-42	-67	-53
\$15K To \$24.9K	-30	-28	-43	-44	-49	-28	-57	-43
\$25K To \$39.9K	-22	-26	-14	-38	-41	-11	-49	-31
\$40K To \$49.9K	-2	-2	-1	-8	-20	20	-32	-11
Over \$50K	21	20	19	8	10	25	-8	7

Region:								
Northeast	-12	-12	-17	-13	-21	-12	-38	-24
Midwest	-25	-18	-7	-24	-22	-7	-34	-19
South	-7	-7	-9	-15	-25	-6	-29	-17
West	5	-2	-8	-23	-13	5	-34	-17
Race:								
White	-5	-4	-5	-15	-19	-4	-23	-15
Black	-33	-37	-32	-43	-41	-23	-68	-45
Politics:								
Republican	28	34	28	11	10	34	-3	11
Democrat	-37	-37	-34	-41	-35	-25	-46	-38
Independent	-8	-11	-15	-17	-37	-8	-38	-24
Education:								
< High School	-35	-34	-33	-31	-50	-23	-56	-41
High Sch. Grad.	-23	-19	-21	-25	-29	-13	-40	-25
College +	9	6	6	-10	-5	9	-17	-7
Home:								
Own	-4	-4	0	-11	-15	0	-24	-13
Rent	-23	-25	-36	-38	-35	-23	-43	-35
Marital Status:								
Single	-24	-22	-20	-25	-13	-11	-37	-23
Married	7	7	4	-7	-17	7	-27	-11
Sep/Wid/Div	-32	-35	-40	-43	-42	-21	-52	-38
Employ. Status:								
Full-Time	2	0	-4	-11	-12	2	-20	-10
Part-Time	5	2	-14	-18	-20	5	-40	-23
Not Employed	-28	-26	-17	-29	-35	-17	-40	-29

\*\*\*END\*\*\*