

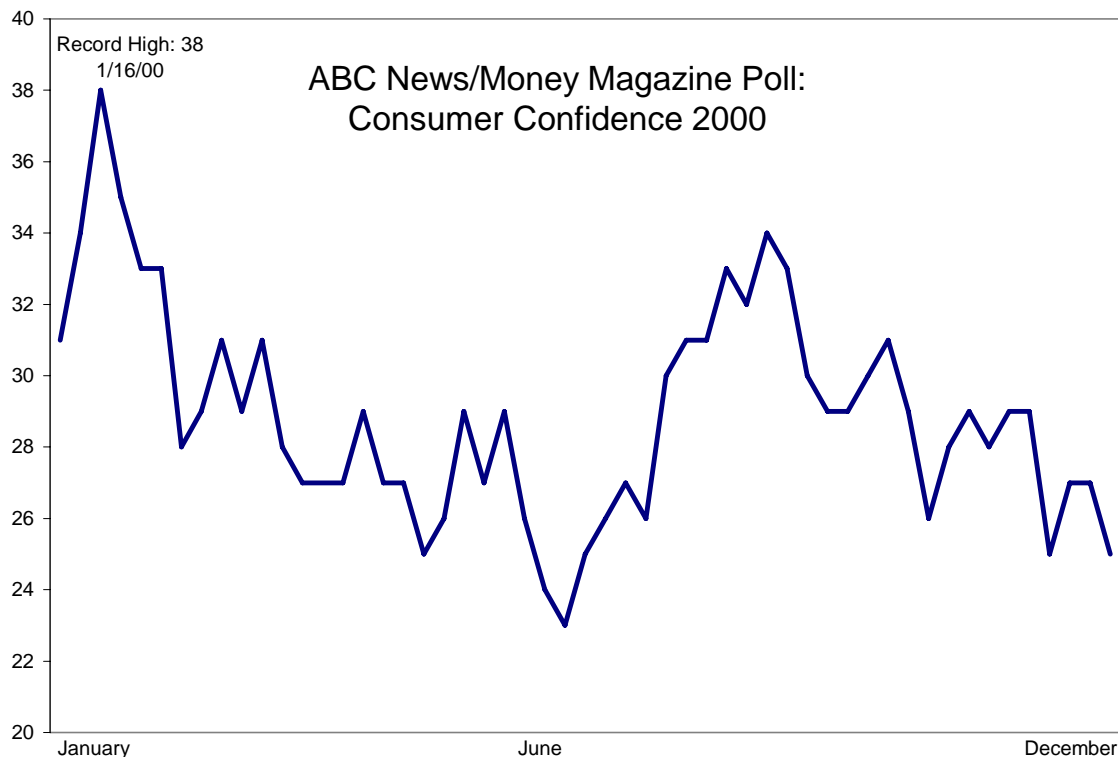
## **Consumer Confidence Ends 2000 with a Whimper**

In with a bang, out with a whimper.

That best describes consumer confidence in 2000. It surged last January to a record high in the 15-year-old ABC News/Money magazine poll. But the high was short-lived, and confidence has ended 2000 near its lowest of the year, well below its Jan. 16 peak.

Ratings of the buying climate are largely at fault. The number of Americans who call it a good time to buy things dipped last week to its lowest level in three years, and ended the year 10 points below its January high. Concerns over rising fossil fuel prices take some of the blame; ratings of the buying climate also went south when oil prices spiked in June.

But other gauges are stronger. Seventy-four percent of Americans rate the national economy positively, six points below its high (and down three points just this week), but still far above the 15-year average. And 67 percent say their own finances are good, just three points off that record.



As a result, confidence for the year barely edged out 1999's record performance, marking the eighth year in a row confidence has improved over the previous year. Rising incomes, low inflation, low unemployment and tolerable interest rates have been prime factors.

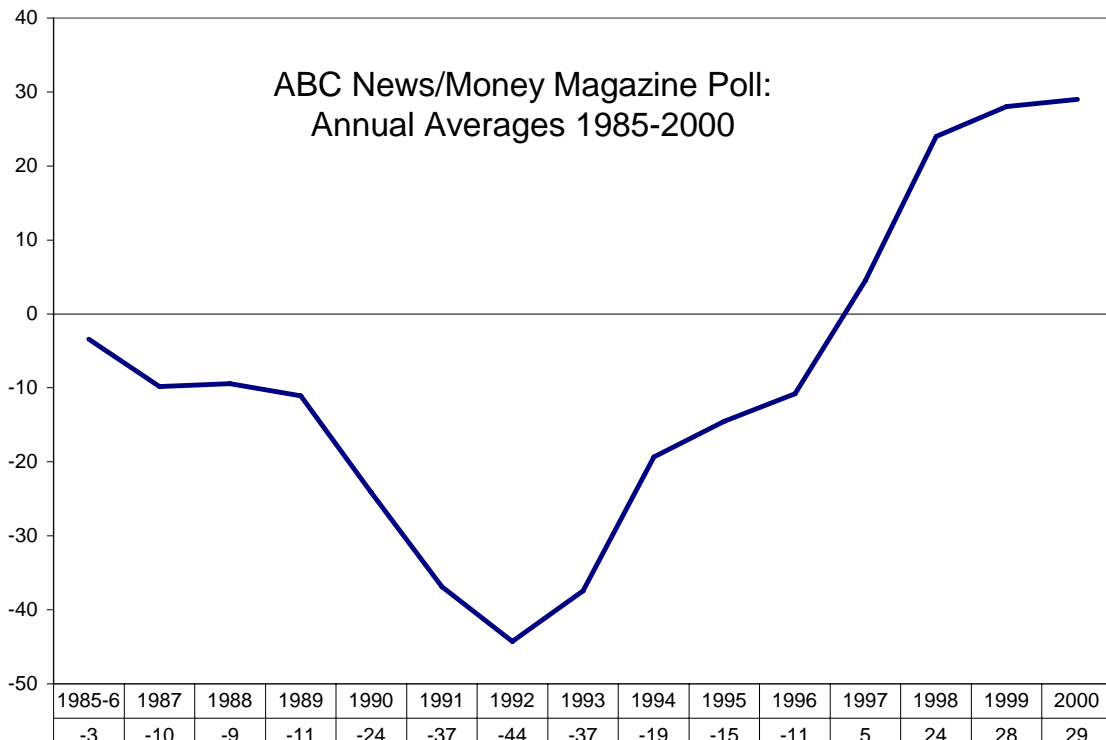
But the rate of growth has slowed dramatically. The ABC/Money Consumer Comfort Index, based on views of the buying climate, personal finances and the national economy, grew explosively in 1998, setting nine record highs. By contrast it posted only one record high in 1999 and two in 2000, both last January.

The Fed unexpectedly cut its federal funds rate by a half-point Wednesday, citing lower consumer confidence and higher energy prices, as well as other factors. Reports this week showed manufacturing in December at its lowest since 1991 and a decline in construction spending in November; last month the government reported lower GDP in late 2000 and a rise in unemployment. Amid these signs of a slowing economy, George W. Bush is in the midst of a two-day economic forum with business leaders.

| Positive ratings: | Today | ----- Since 12/85 ----- |        |         |
|-------------------|-------|-------------------------|--------|---------|
|                   |       | Highest                 | Lowest | Average |
| National Economy  | 74%   | 80                      | 7      | 41      |
| Personal Finances | 67    | 70                      | 42     | 57      |
| Buying Climate    | 47    | 57                      | 20     | 38      |

INDEX – The ABC/Money index now stands at +25 on its scale of +100 to –100, down two points from last week. It peaked at +38 on Jan. 16, 2000, and averaged +29 in all of 2000, a point above its 1999 average. Its lifetime average, depressed by recession in the early 1990s, is -9.

| ABC/Money Index     |                     |
|---------------------|---------------------|
| Today               | +25                 |
| Jan. 16, 2000       | +38 Record high     |
| 2000 average        | +29 Best full year  |
| 1999 average        | +28                 |
| 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 +55 in higher-income households compared to -28 in the lowest, +34 among college graduates while +9 among high-school dropouts, +28 among whites but +4 among blacks and +32 among men while +18 among women.

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

**NATIONAL ECONOMY**- Seventy-four percent of Americans rate the nation's economy as excellent or good, down three points 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        | 74       | 9      | 65   | 26       | 19       | 7    |
| 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-seven percent say it's an excellent or good time to buy things they want and need, up 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        | 47       | 3      | 44   | 53       | 38       | 15   |
| 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 1,025 interviews in the month ending Dec. 31 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 Dalia Sussman.

ABC News polls can be found at [ABCNEWS.com](http://ABCNEWS.com) on the Internet, at:

| 12/31/00                            | 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                       | 25        | 27        | 29        | 29        | 31        | 38         | 23        | 29        |
| State of Economy                    | 48        | 54        | 54        | 52        | 52        | 60         | 40        | 50        |
| Personal Finances                   | 34        | 34        | 36        | 30        | 34        | 40         | 30        | 34        |
| Buying Climate                      | -6        | -8        | -2        | 4         | 8         | 14         | -8        | 2         |
| -----                               |           |           |           |           |           |            |           |           |
| OVERALL INDEX BY DEMOGRAPHIC GROUPS |           |           |           |           |           |            |           |           |
| Sex:                                |           |           |           |           |           |            |           |           |
| Men                                 | 32        | 32        | 31        | 32        | 43        | 45         | 28        | 35        |
| Women                               | 18        | 20        | 25        | 25        | 21        | 30         | 13        | 22        |
| Age:                                |           |           |           |           |           |            |           |           |
| 18 - 34                             | 22        | 28        | 28        | 29        | 27        | 37         | 16        | 27        |
| 35 - 44                             | 22        | 28        | 25        | 26        | 35        | 36         | 15        | 26        |
| 45 - 54                             | 28        | 30        | 30        | 33        | 34        | 45         | 11        | 32        |
| 55 - 64                             | 29        | 20        | 25        | 23        | 31        | 51         | 12        | 30        |
| 65 +                                | 27        | 19        | 32        | 30        | 32        | 45         | 12        | 29        |
| Income:                             |           |           |           |           |           |            |           |           |
| Under \$15K                         | -28       | -18       | -11       | -23       | -25       | -8         | -36       | -20       |
| \$15K To \$24.9K                    | 9         | 5         | -4        | -5        | 14        | 26         | -20       | 0         |
| \$25K To \$39.9K                    | 21        | 30        | 12        | 14        | 32        | 32         | 12        | 22        |
| \$40K To \$49.9K                    | 30        | 17        | 29        | 46        | 44        | 60         | 15        | 38        |
| Over \$50K                          | 55        | 54        | 64        | 60        | 60        | 68         | 54        | 61        |
| Region:                             |           |           |           |           |           |            |           |           |
| Northeast                           | 25        | 25        | 39        | 28        | 42        | 48         | 17        | 32        |
| Midwest                             | 26        | 22        | 30        | 37        | 30        | 46         | 17        | 32        |
| South                               | 26        | 30        | 23        | 21        | 24        | 30         | 16        | 22        |
| West                                | 20        | 24        | 24        | 32        | 34        | 43         | 17        | 31        |
| Race:                               |           |           |           |           |           |            |           |           |
| White                               | 28        | 28        | 32        | 30        | 38        | 43         | 25        | 33        |
| Black                               | 4         | 7         | 7         | 17        | -10       | 25         | -15       | 2         |
| Politics:                           |           |           |           |           |           |            |           |           |
| Republican                          | 34        | 34        | 41        | 44        | 53        | 53         | 31        | 41        |
| Democrat                            | 27        | 26        | 22        | 33        | 29        | 38         | 7         | 27        |
| Independent                         | 21        | 24        | 28        | 16        | 24        | 39         | 16        | 24        |
| Education:                          |           |           |           |           |           |            |           |           |
| < High School                       | 9         | 6         | -9        | -21       | -10       | 13         | -23       | -8        |
| High Sch. Grad.                     | 18        | 20        | 21        | 24        | 32        | 32         | 8         | 19        |
| College +                           | 34        | 35        | 43        | 48        | 45        | 53         | 34        | 47        |
| Home:                               |           |           |           |           |           |            |           |           |
| Own                                 | 34        | 32        | 35        | 32        | 38        | 44         | 31        | 36        |
| Rent                                | 6         | 12        | 12        | 17        | 15        | 19         | 2         | 10        |
| Marital Status:                     |           |           |           |           |           |            |           |           |
| Single                              | 27        | 35        | 21        | 29        | 30        | 42         | 9         | 27        |
| Married                             | 30        | 29        | 33        | 32        | 38        | 44         | 29        | 34        |
| Sep/Wid/Div                         | -4        | 1         | 18        | 12        | 5         | 27         | -4        | 9         |
| Employ. Status:                     |           |           |           |           |           |            |           |           |
| Full-Time                           | 30        | 34        | 35        | 36        | 39        | 44         | 28        | 35        |
| Part-Time                           | 26        | 26        | 27        | 23        | 24        | 40         | 11        | 26        |
| Not Employed                        | 16        | 14        | 18        | 20        | 22        | 29         | 10        | 20        |

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