

Retirement Confidence: It's a Question of Cash

How much money do you have to make to feel confident about your retirement? For most Americans, at least \$40,000 a year, an ABC News/Money magazine poll finds.

Among people with annual household incomes less than that amount, only 39 percent are confident they'll retire with enough income and assets to last for the rest of their lives. But among people with incomes over \$40,000, confidence soars to 73 percent.

Overall, most Americans are now confident they'll retire with enough in the bank; that's risen from 45 percent in 1996 to 54 percent now, as the economy boomed. Confidence is higher among men, and people who've been to college (both are higher-income groups).

	Confident you'll retire comfortably?
All Americans now	54%
All Americans 7/96	45
<\$40K income	39
>40K income	73

Why the rise in confidence? Increased satisfaction with the economy and personal finances are likely reasons. Positive ratings of the economy have nearly doubled since July 1996; positive ratings of personal finances – a less fluid measure – have risen by seven points.

CONSUMER CONFIDENCE – Confidence was unchanged this week but still within sight of the 13-year record it set earlier this year. Continued low unemployment, rising wages, low interest rates and marginal inflation have been elevating confidence the past two years to its best levels since this survey began in December 1985.

This week, 74 percent say the economy is doing well, double the 13-year average. Sixty-four percent rate their own finances as good or excellent, eight points above average; and 54 percent say it's a good time to buy things, 17 points higher than normal.

	Today	----- Highest	Since 12/85	Lowest	----- Average
Positive ratings:					
National Economy	74%	77		7	37
Personal Finances	64	70		42	56
Buying Climate	54	56		20	37

INDEX - The ABC/Money Consumer Comfort Index, based on these gauges, stands at +28 on its scale of -100 to +100, unchanged from this week. The index has averaged +29 this year, five points higher than the last year's record of +24. Its lifetime average is -13.

	ABC/Money Index	
Today and last week	+28	
Record high	+32	(1/17, 3/7, 3/14)
1999 average	+29	
1998 average	+24	Best full year
1992 average	-44	Worst full year
Feb. 9, 1992	-50	Record low
Average since 12/85	-13	

Call the ABC News Polling Unit, ext. 2621, for a chart tracking the ABC/Money index over time.

GROUPS – Confidence, as usual, is higher among better-off Americans: It's +60 in higher-income households compared to -31 in the lowest; +52 among college graduates but -20 among high-school dropouts; +35 among whites but -3 among blacks; and +37 among men compared to +20 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 two points from last week. The record of 77 percent was set Jan. 10 and tied in March and April. The worst was 7 percent in late 1991 and early 1992.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	74%	12	62	26	18	8
Avg. since 12/85	37	3	35	63	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-four percent say excellent or good, down two points from last week. The record 70 percent was set Aug. 30, 1998 and tied Jan. 3, 1999 and July 13, 1999. The worst was 42 percent March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	64%	6	58	36	26	10
Avg. since 12/85	56	4	51	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-four percent say excellent

or good, unchanged from last week. The record was 56 percent Nov. 29, the worst rating, 20 percent, was set in the fall of 1990.

	Pos. NET	Excel.	Good	Neg. net	Not good	Poor
This week	54%	4	50	46	33	13
Avg. since 12/85	37	3	34	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 1,059 interviews in the month ending July 4, and have an error margin of plus or minus three percentage points. The question on retirement was conducted among 539 respondents June 23-July 4; that result has a 4.5-point error margin. Field work 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.

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ABC News polls can be found at ABCNEWS.com on the Internet, at:

<http://abcnews.go.com/sections/politics/PollVault/PollVault.html>

07/04/99	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	28	28	27	31	22	32	19	27
State of Economy	48	44	42	54	34	54	34	45
Personal Finances	28	32	38	36	30	40	26	33
Buying Climate	8	8	2	4	2	12	-4	3

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	37	33	33	41	33	44	28	35
Women	20	23	22	22	11	31	8	19
Age:								
18 - 34	31	31	25	28	19	35	12	25
35 - 44	29	28	31	30	23	40	9	28
45 - 54	35	29	27	36	26	41	13	28
55 - 64	16	26	31	30	28	47	12	29
65 +	20	21	27	30	14	37	10	26

Income:								
Under \$15K	-31	-26	-24	-11	-38	-6	-38	-20
\$15K To \$24.9K	-11	-4	5	-8	-19	18	-20	-1
\$25K To \$39.9K	30	30	24	38	23	38	5	23
\$40K To \$49.9K	49	41	42	56	45	60	28	42
Over \$50K	60	57	55	60	66	67	52	60
Region:								
Northeast	29	27	25	31	25	37	15	27
Midwest	35	35	36	37	33	41	21	34
South	22	20	24	24	16	29	11	21
West	29	36	27	36	15	43	12	28
Race:								
White	35	34	30	33	25	36	23	30
Black	-3	-1	11	14	-4	22	-9	6
Politics:								
Republican	47	45	33	46	42	49	28	38
Democrat	21	22	28	33	21	35	16	27
Independent	25	25	25	23	14	34	11	22
Education:								
< High School	-20	-15	0	-5	-13	14	-22	-5
High Sch. Grad.	14	18	19	31	9	31	7	19
College +	52	49	42	44	42	52	36	43
Home:								
Own	31	32	35	40	28	40	24	33
Rent	18	16	5	6	5	26	0	10
Marital Status:								
Single	29	25	19	21	31	34	13	23
Married	32	32	32	37	24	41	22	33
Sep/Wid/Div	7	13	13	14	1	18	-12	6
Employ. Status:								
Full-Time	39	39	38	38	35	44	26	35
Part-Time	18	11	11	25	6	37	5	22
Not Employed	14	17	18	22	8	26	2	16

229. How confident are you that you will retire with enough income and assets to last for the rest of your life - would you say you're very confident, somewhat confident, not so confident or not confident at all?

	-----Confident-----			-----Not Confident-----			Retired	No
	NET	Very	Somewhat	NET	Not so	Not at all	(vol.)	opin.
7/4/99	54	21	33	39	21	18	6	0
7/21/96	45	16	29	47	25	21	7	1