

The Price of Wealth? \$200,000 – or Less

What's it take to be rich in this country? Bill Gates' billions are overkill: Most Americans say a tidy \$200,000 a year would do just fine – and a plurality would settle for \$100,000.

Fifty-four percent name \$200,000 or less as the annual income figure they equate with wealth. That includes 44 percent who say \$100,000 a year or less will do it. At the other end of the spectrum, 24 percent say it takes \$1 million or more a year to be rich.

The median annual household income in this country was \$38,885 in 1998.

Low-income Americans have more modest expectations about what it would take to be rich; they're significantly more likely than their better-off counterparts to say \$100,000 or less per year would do it. That makes sense, since it would take less money to greatly enhance the standard of living of those who are currently getting by on lower incomes.

Younger and less-educated people also have lower targets for true wealth; these tend to be lower-income groups.

Views of what it takes to be rich haven't changed much since 1990, even with the booming economy, soaring stock market and recurring stories about newly minted Internet millionaires. About the same number as in 1990 say it takes \$100,000 a year or less to be rich, and the median range (\$100,000 to \$200,000) is the same. There has been a shift on the higher end: Those saying \$1 million or more have increased from 16 percent in 1990 to 24 percent now.

CONFIDENCE – Separately, consumer confidence rebounded slightly this week, reversing a three-week decline that had pushed it to its lowest level in 11 months. Confidence still is having its best year in 13 years of ABC News /Money magazine polls.

This week 72 percent of Americans rate the economy positively, 34 points above average but down from a record 77 percent. Sixty-seven percent say their own finances are good, a few points below its high of 70 percent; and 50 percent call it a good time to buy things, down from a record 56 percent.

Confidence has been extraordinarily high since the beginning of last year, thanks largely to low unemployment, inflation and interest rates and a strong job market.

Positive ratings:	Today	Highest	Lowest	Average
National Economy	72%	77	7	38
Personal Finances	67	70	42	56
Buying Climate	50	56	20	37

INDEX - The ABC/Money Consumer Comfort Index, based on these gauges, stands at +26 on its scale of +100 to -100. That's up three points after a three-week decline of seven points.

The index is averaging +28 this year, four points higher than last year's record of +24 and much higher than its lifetime average of -13.

	ABC/Money	Index
Today	+26	
Last week	+23	
Record high	+32	(1/17, 3/7, 3/14)
1999 average	+28	
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 – As usual, confidence is higher among better-off Americans: The index is +55 in higher-income households compared to -31 in the lowest; +43 among college graduates but -12 among high-school dropouts; +30 among whites but -1 among blacks; and +35 among men compared to +17 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-two percent say excellent or good, up two points from last week. The record, 77 percent, was set Jan. 10 and tied in March, April and July. The worst rating was seven percent in late 1991 and early 1992.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	72%	12	60	28	20	8
Avg. since 12/85	38	3	35	62	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-seven percent say excellent or good, up two points. The record, 70 percent, was set Aug. 30, 1998, and tied this January, June and September. The worst was 42 percent March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	67%	7	60	33	23	10

Avg. since 12/85 56 4 52 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 percent say excellent or good, up one point. The record was 56 percent Nov. 29, 1998; the worst rating, 20 percent, was set in fall 1990.

	Pos. NET	Excel.	Good	Neg. net	Not good	Poor
This week	50%	5	45	50	34	16
Avg. since 12/85	37	3	35	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 1,042 interviews in the month ending Oct. 10 and have an error margin of plus or minus three percentage points. The question on wealth was conducted Sept. 29-Oct. 10 among 514 respondents; that result has a 4.5-point error margin. 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 Daniel Merkle.

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

10/10/99	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	26	23	30	29	25	32	21	28
State of Economy	44	40	46	50	44	54	36	46
Personal Finances	34	30	40	28	30	40	28	33
Buying Climate	0	-2	4	8	0	12	-4	4

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	35	34	34	38	34	44	30	35
Women	17	11	25	18	16	31	11	20
Age:								
18 - 34	26	23	29	31	19	35	17	27
35 - 44	16	19	32	28	30	40	16	29
45 - 54	26	20	32	31	29	41	13	28
55 - 64	35	25	23	16	31	47	12	27
65 +	29	25	30	19	24	37	17	27

Income:								
Under \$15K	-31	-26	-19	-42	-10	-10	-42	-22
\$15K To \$24.9K	3	-7	-1	-2	1	8	-15	-2
\$25K To \$39.9K	14	9	29	27	14	38	9	25
\$40K To \$49.9K	43	46	35	44	44	56	28	43
Over \$50K	55	53	64	62	57	67	52	60
Region:								
Northeast	42	40	40	26	19	42	15	28
Midwest	31	22	25	26	38	41	20	33
South	17	14	22	26	21	31	14	23
West	20	21	38	33	22	43	13	29
Race:								
White	30	27	33	34	27	37	23	31
Black	-1	-10	12	-4	5	22	-10	5
Politics:								
Republican	38	38	40	45	33	49	28	38
Democrat	23	18	35	19	28	35	18	26
Independent	24	16	19	28	20	34	15	24
Education:								
< High School	-12	-24	-9	-18	-2	6	-27	-8
High Sch. Grad.	18	19	24	15	20	31	10	20
College +	43	40	48	50	37	52	36	44
Home:								
Own	34	28	32	32	34	40	26	33
Rent	2	5	22	16	3	26	0	11
Marital Status:								
Single	18	20	24	25	13	36	13	24
Married	34	28	37	33	32	41	27	33
Sep/Wid/Div	1	4	7	7	13	18	-3	6
Employ. Status:								
Full-Time	33	30	35	39	30	44	26	35
Part-Time	25	19	38	13	25	38	5	22
Not Employed	15	12	20	14	16	26	6	16

236. Different people have different ideas of how much money it takes to be rich in this country. How much income a year, in dollars, do you think a person has to have in this country to be rich in the financial sense?

	10/10/99	10/7/90	7/30/89
Less than \$50,000	11	7	12
\$50,000	4	7	9
Over \$50,000 but under \$100,000	11	12	13
\$100,000	18	19	13 <-MEDIAN
Over \$100,000 but under \$200,000	6 <-MEDIAN	8 <-MEDIAN	7
\$200,000	4	6	5
Over \$200,000 but under \$250,000	0	3	1
\$250,000	4	3	5
Over \$250,000 but under \$500,000	4	2	2
\$500,000	4	7	4
Over \$500,000 but under \$1,000,000	0	3	2
\$1,000,000	13	7	10
Over \$1,000,000	11	9	5
Don't Know	10	6	12

COLLAPSED CATEGORIES

Less Than \$100,000	26	26	34
\$100,000	18	19	13 <-MEDIAN
Over \$100,000 but under \$200,000	6 <-MEDIAN	8 <-MEDIAN	7
Between \$200,000 and \$500,000	16	21	17
Over \$500,000 but under \$1,000,000	0	3	2
\$1,000,000	13	7	10
Over \$1,000,000	11	9	5
Don't Know	10	6	12