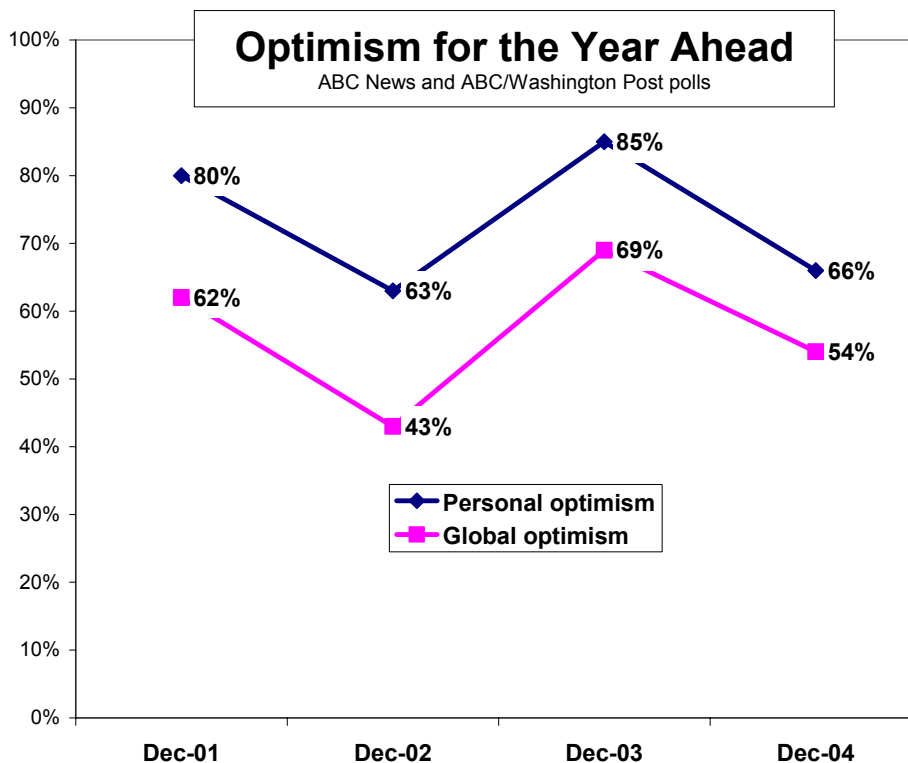


## **Outlook for 2005 is Less Bright; Iraq and the Election are Factors**

Public optimism about the year ahead is down sharply from its level at the start of 2004, fueled both by broader concern about the situation in Iraq and by discontent among Democrats with the re-election of George W. Bush.

Optimism still trumps pessimism: Two-thirds of Americans are more hopeful than fearful about what 2005 holds in store for them personally. Fewer but still more than half, 54 percent, are more hopeful than fearful about the global outlook.

But personal optimism is down sharply from 85 percent at this time last year, a 19-point drop. And hopefulness for the world more broadly is down 15 points from a year ago. Today 43 percent are more fearful than hopeful about the world's prospects.



Pessimism was greater, though, at the start of 2003, when – with the Iraq war pending – 56 percent of Americans were more fearful than hopeful about the world in the year to come.

Personal Outlook in the Year Ahead			
	12/04	12/03	Change
More hopeful	66%	85	-19
More fearful	30	12	+18

World Outlook in the Year Ahead			
	12/04	12/03	Change
More hopeful	54%	69	-15
More fearful	43	27	+16

**PARTY TIME** – Political allegiance is a strong factor in the change from last year. A year ago Republicans and Democrats alike could be hopeful based on their competing expectations of winning the November election. Today Democrats have no such solace, and their optimism has suffered accordingly.

Democrats now are 29 points less likely than a year ago to be upbeat about their personal outlook, and 20 points less likely to be optimistic about the world's prospects. Among Republicans, by contrast, these are down just three or four points.

The result is that Democrats are now less hopeful than Republicans about their own prospects, and about the world more broadly, by 35 and 37 points respectively. Democratic women are the most glum: Fewer than half are hopeful about their own prospects in 2005, and more than six in 10 are fearful about the world in the coming year.

Personal outlook: Hopeful			
	12/04	12/03	Change
Democrats	53%	82	-29
Independents	64	82	-18
Republicans	88	92	-4

World outlook: Hopeful			
	12/04	12/03	Change
Democrats	39%	59	-20
Independents	55	70	-15
Republicans	76	79	-3

Compared to 2003, hopefulness among independents has dropped 18 and 15 points, respectively. Party leanings remain a driving force: Democratic-leaning independents look much like Democrats; Republican-leaning independents, much like Republicans.

**IRAQ** – The situation in Iraq is a factor as well. In world and personal outlooks alike, hopefulness is much higher among people who say the war was worth fighting, think it's improved long-term U.S. security and call the level of U.S. military casualties acceptable. But their numbers are down: For instance just 42 percent, a new low, now say the war was worth fighting, down 17 points from a year ago.

Indeed, 51 percent of Americans are now pessimistic about the situation in Iraq overall, up from 39 percent at the start of the year. And among these pessimists, nearly two-thirds say they're fearful about the world's prospects in the coming year.

World's outlook:	Situation in Iraq	
	Optimistic	Pessimistic
More hopeful	76%	33
More fearful	22	64

A regression analysis shows that both political allegiance and views of the situation in Iraq independently predict hopefulness or fearfulness about the year ahead. Of the two, political party identification is the stronger factor.

**MORE ISSUES** – Other issues are also at play. Most broadly, 57 percent are optimistic about the “the way things are going in this country,” down from 69 percent in January 2003. And 58 percent are optimistic about the state of the economy, down (albeit slightly) from 63 percent.

Americans reserve their highest levels of optimism for their family's financial situation – 75 percent are optimistic – and for the country's ability to defend itself against terrorist attack – two-thirds are optimistic (down, though, from 75 percent in January 2003).

People divide on their views of the policies the Bush administration will pursue in the coming year: Fifty-one percent are optimistic about them, 45 percent pessimistic. There's another huge partisan divide here: More than eight in 10 Republicans are optimistic about Bush's policies in 2005; two-thirds of Democrats are pessimistic.

**SEX** – There's a split between the sexes, with men more upbeat than women about the year ahead. Seventy-two percent of men are more hopeful than fearful about 2005 on a personal level, and 59 percent of men are hopeful about the global outlook. These are 12 and 10 points lower among women.

Men are also more optimistic about the way things are going in the country, about the situation in Iraq, about the country's ability to defend itself from terrorism, about their financial situation and about Bush's policies.

On likely reason: Women are 10 points more apt than men to be Democrats.

**METHODOLOGY** – This ABC News/Washington Post poll was conducted by telephone Dec. 16-19, 2004, among a random national sample of 1,004 adults. The results have a three-point error margin. Sampling, data collection and tabulation by TNS of Horsham, Pa.

Analysis by Dalia Sussman.

ABC News polls can be found at ABCNEWS.com at <http://abcnews.com/pollvault.html>.

Media contact: Cathie Levine, (212) 456-4934, or Lisa Finkel, (212) 456-6190.

Full results follow (\*= less than 0.5 percent).

19. Looking ahead to next year, are you more hopeful, or more fearful, about what the year 2005 holds in store for you personally?

	More hopeful	More fearful	No opin.
12/19/04	66	30	4
12/21/03	85	12	4
12/15/02	63	35	2
12/19/01	80	16	4

20. How about for the world in general? Are you more hopeful, or more fearful, about what the year 2005 holds in store for the world in general?

	More hopeful	More fearful	No opin.
12/19/04	54	43	2
12/21/03	69	27	4
12/15/02	43	56	1
12/19/01	62	35	3

21. Thinking about the next 12 months, would you say you feel (optimistic) or (pessimistic) about (ITEM)?

12/19/04 - Summary Table

	Optimistic	Pessimistic	No op.
a. the way things are going in this country	57	41	2
b. the situation in Iraq	46	51	2
c. the state of the national economy	58	40	2
d. the country's ability to defend itself against terrorist attacks	66	30	4
e. your own family's financial situation	75	23	2
f. the policies Bush will pursue in his second term in office	51	45	5

Trend where available:

a. the way things are going in this country

	Optimistic	Pessimistic	No opinion
12/19/04	57	41	2
7/25/04 RV	67	30	3
6/20/04	62	36	2
1/14/03	69	29	2

b. the situation in Iraq

	Optimistic	Pessimistic	No opinion
12/19/04	46	51	2
6/20/04	52	45	3
5/23/04	55	43	2
1/18/04*	58	39	2

\*"Thinking about the coming year"

c. the state of the national economy

	Optimistic	Pessimistic	No opinion
12/19/04	58	40	2
6/20/04	64	34	2
1/14/03	63	35	2

d. the country's ability to defend itself against terrorist attacks

	Optimistic	Pessimistic	No opinion
12/19/04	66	30	4
6/20/04	66	31	3
1/14/03	75	23	3

e,f. No trend.

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