

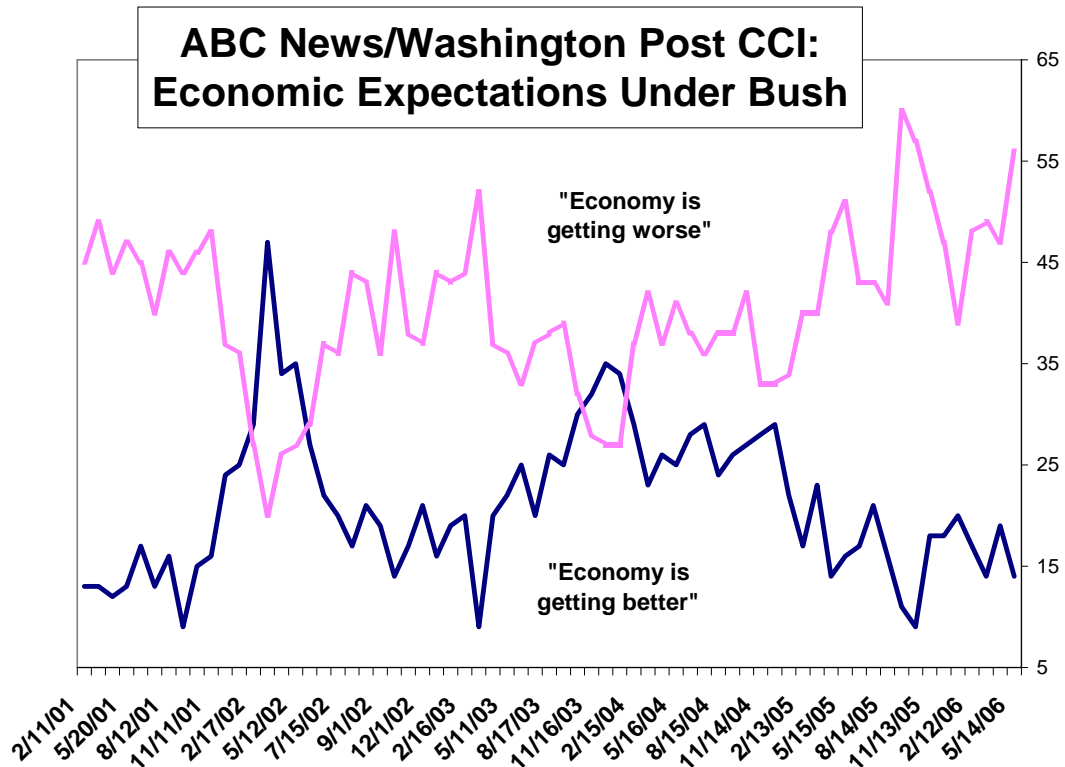
## Economic Outlook Worsens

Pessimism about the direction of the economy has grown to its highest level in seven months, apparently pushed by high gasoline prices and a weakening job market.

Fifty-six percent of Americans now think the economy's getting worse, up nine points in the last month to the most since October. Just 14 percent think it's improving, while about three in 10 say it's holding steady.

Ratings of current economic conditions have experienced a similar decline lately. The ABC News/Washington Post Consumer Comfort Index is now at -17 on its scale of +100 to -100, a new low for the year and down 10 points since mid-April.

Nevertheless, confidence is still stronger than it was last fall, when the index bottomed out at -23 after Hurricane Katrina. And its recent slide has moderated, with the index essentially flat this week compared to last.

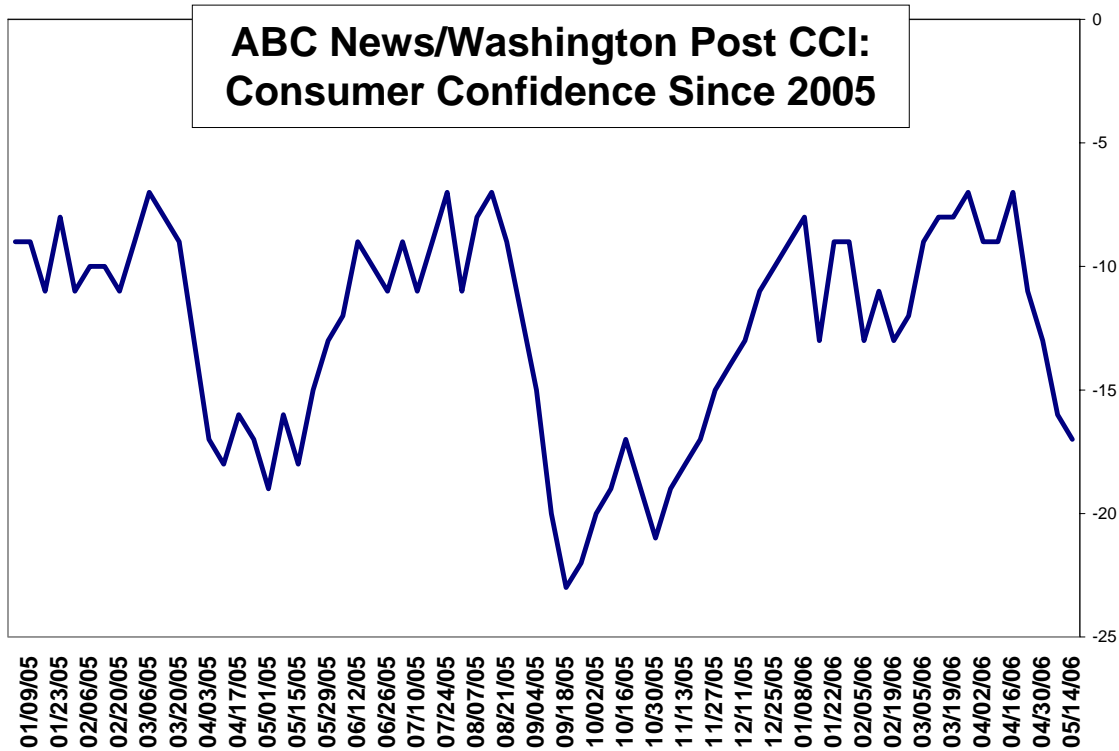


Despite the impact on economic views, many Americans are accommodating themselves to higher gas prices, perhaps helping to keep consumer confidence from dipping even lower. Gas now averages \$2.95 a gallon, but the number who say it's causing them

financial hardship is down 13 points since last month, to 57 percent, in a separate ABC/Post poll out today. And more said they'd cut back on driving when prices spiked last fall than say so now.

**EXPECTATIONS** – Americans have been more pessimistic than optimistic about the direction of the economy since January 2004, as well as on average in polls dating back to 1981. But the level of pessimism is unusually high this month, 18 points above the 25-year average. As noted, pessimism is up nine points from last month and 17 points from the start of the year, to its most since October 2005.

	Economy is:		
	Getting better	Getting worse	Staying the same
Now	14%	56	29
Last month	19	47	33
Jan. 2006	20	39	38
Jan. 2004	34	27	37
Avg. since 1981	21	38	40



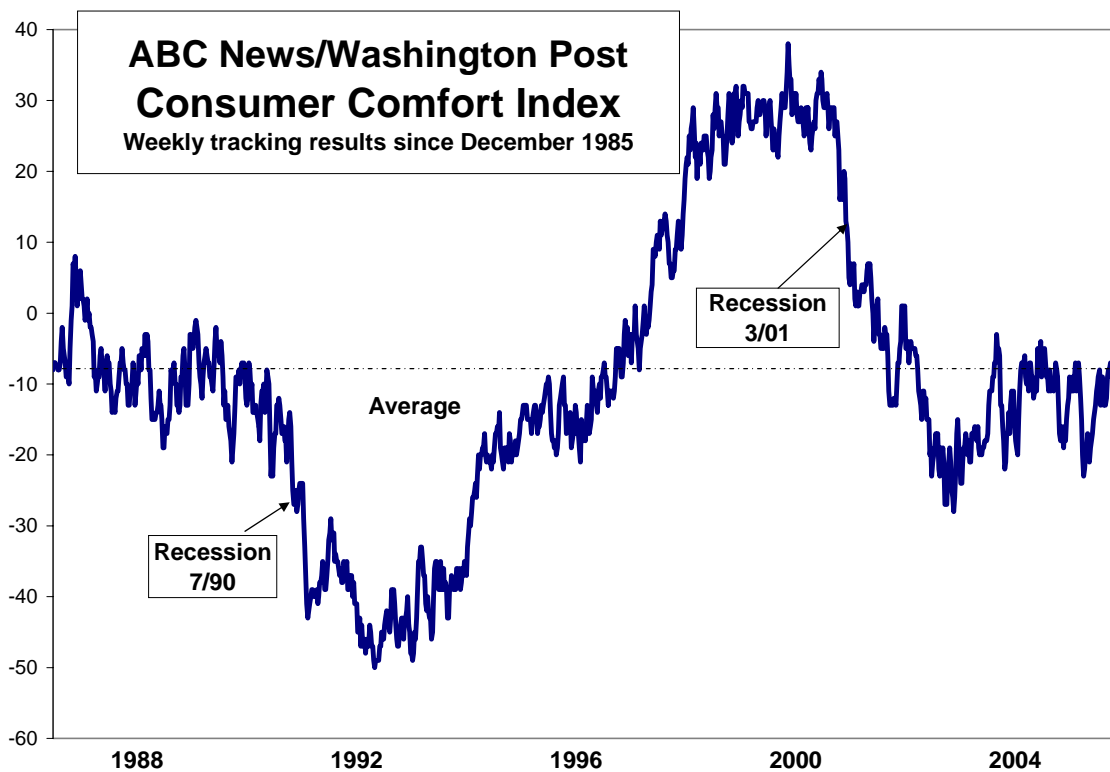
**INDEX** – The weekly CCI, measured separately from expectations, is based on Americans' current ratings of the national economy, the buying climate and personal finances. This week 33 percent rate the economy positively, down nine points since early April to its lowest since November 2005, and 33 percent call it a good time to buy things, unchanged from last week to again match its post-November low.

As is usually the case, many more, 58 percent, say their own finances are in good shape.

	ABC News/Washington Post CCI			
Positive ratings of:	This week	Last week	2006 avg.	20-yr. avg.
National economy	33%	35	39	40
Buying climate	33	33	37	38
Personal finances	58	58	58	57
Consumer Comfort Index	-17	-16	-11	-9

TREND – As noted, at -17 the CCI is at its low for the year and is now eight points below its long-term average in polls since December 1985, -9. It's been as high as -7 this year, as recently as four weeks ago, but retreated as gas prices climbed.

Its all-time high was +38 in January 2000; its all-time low, -50 in February 1992.



	ABC/Post CCI	
Today	-17	
Last week	-16	
Two weeks ago	-13	
Four weeks ago	-7	
2006 high	-7	April 16, March 26
2006 low	-17	May 14
2006 average	-11	
2005 average	-13	
2004 average	-11	
2003 average	-19	
2000 average	+29	Best full year
1992 average	-44	Worst full year

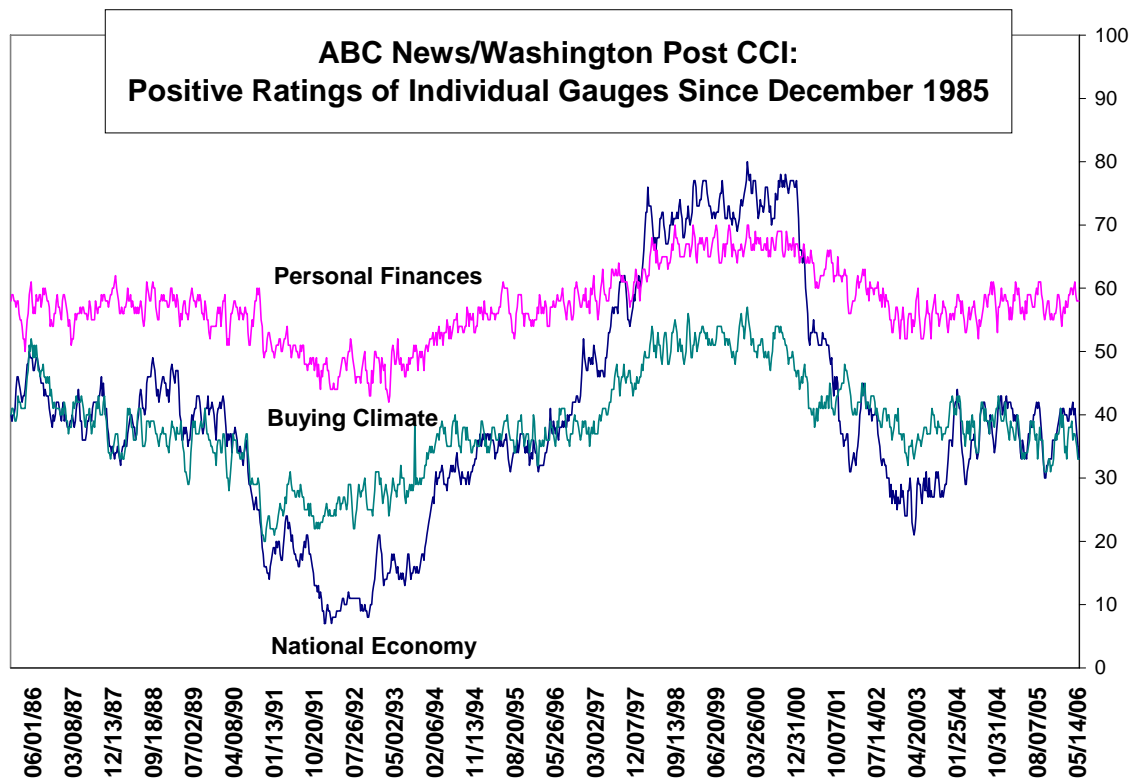
Jan. 16, 2000	+38	Record high
Feb. 9, 1992	-50	Record low
Average since 12/85	-9	

GROUPS – As usual, the CCI is higher in better-off groups. It's +31 among higher-income Americans while -67 among those with the lowest incomes, 0 among college graduates while -56 among those who haven't finished high school, -10 among whites but -57 among blacks and -11 among men while -23 among women.

Regionally, the index continues to be better in the West, at -9, compared with -24 in the Midwest and -18 in the Northeast and South. Confidence remains far higher among Republicans (+22) than independents (-24) or, particularly, Democrats (-41).

Republicans also are much less pessimistic about the direction of the economy. Thirty-four percent say it's getting worse, compared with 56 percent of independents and 77 percent of Democrats.

Here's a closer look at the three components of the ABC/Post CCI:



NATIONAL ECONOMY – Thirty-three percent of Americans rate the economy as excellent or good; it was 35 percent last week. 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	33	5	28	67	41	26
Avg. since 12/85	40	3	37	60	40	20

PERSONAL FINANCES – Fifty-eight percent say their own finances are excellent or good, unchanged from last week. The best was 70 percent on Aug. 30, 1998, matched in January 2000. The worst was 42 percent on March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	58	6	52	42	30	12
Avg. since 12/85	57	5	52	43	30	13

BUYING CLIMATE – Thirty-three percent say it's an excellent or good time to buy things, also unchanged from last week. 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	33	3	30	67	45	22
Avg. since 12/85	38	3	36	62	41	21

METHODOLOGY – Interviews for the ABC News/Washington Post Consumer Comfort Index are reported in a four-week rolling average. This week's results are based on telephone interviews among a random national sample of 1,000 adults in the four weeks ending May 14, 2006. The results have a three-point error margin. The expectations question was asked of 500 respondents May 3-14; that result has a 4.5-point margin of error. Field work by ICR-International Communications Research of Media, Pa.

The index is derived by subtracting the negative response to each index question from the positive response to that question. The three resulting numbers are 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 online at <http://abcnews.com/pollvault.html>.

Media contact: Cathie Levine, (212) 456-4934.

05/14/06	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	-17	-16	-7	-11	-18	-7	-23	-13
State of Economy	-34	-30	-18	-20	-34	-16	-40	-25
Personal Finances	16	16	22	16	12	22	8	16
Buying Climate	-34	-34	-26	-30	-32	-18	-38	-29

OVERALL INDEX BY DEMOGRAPHIC GROUPS

Sex:

Men	-11	-6	7	-6	-12	9	-14	-2
Women	-23	-25	-20	-17	-24	-11	-36	-22
Age:								
18 - 34	-11	-7	-4	-5	-18	1	-28	-11
35 - 44	-21	-22	0	-11	-11	5	-27	-10
45 - 54	-17	-18	-17	-27	-27	-5	-34	-17
55 - 64	-12	-15	-1	-6	-19	0	-36	-13
65+	-31	-26	-16	-9	-15	-1	-31	-14
Income:								
Under \$15K	-67	-52	-51	-33	-62	-33	-71	-54
\$15K To \$24.9K	-57	-54	-30	-50	-52	-28	-65	-44
\$25K To \$39.9K	-32	-33	-24	-26	-36	-12	-44	-28
\$40K To \$49.9K	-11	-11	-5	-30	-22	26	-40	-8
Over \$50K	17	17	20	20	15	26	4	17
\$50K To \$74.9K	7	9	9	4	4	17	-14	4
\$75K To \$99.9K	17	21	22	22	14	37	-1	19
Over \$100K	31	25	30	37	34	50	18	34
Region:								
Northeast	-18	-20	-17	-18	-22	-5	-41	-18
Midwest	-24	-27	-15	-19	-20	-3	-27	-16
South	-18	-14	-3	-14	-13	3	-27	-11
West	-9	-5	4	5	-19	7	-20	-7
Race:								
White	-10	-11	-1	-5	-15	-1	-18	-8
Black	-57	-50	-48	-57	-47	-25	-57	-43
Politics:								
Republican	22	23	38	32	31	38	9	27
Democrat	-41	-41	-32	-35	-40	-27	-46	-36
Independent	-24	-23	-23	-14	-28	-10	-31	-19
Education:								
< High School	-56	-46	-26	-42	-36	-23	-63	-41
High Sch. Grad.	-25	-22	-14	-21	-32	-13	-35	-23
College +	0	-3	4	5	-3	12	-9	3
Home:								
Own	-11	-10	0	-6	-6	4	-17	-4
Rent	-35	-34	-29	-30	-44	-20	-49	-34
Marital Status:								
Single	-21	-16	-17	-18	-31	-8	-31	-18
Married	-8	-7	8	-1	-4	8	-14	-2
Sep/Wid/Div	-36	-41	-30	-36	-38	-22	-49	-34
Employ. Status:								
Full-Time	-6	-3	6	-4	-7	6	-13	-2
Part-Time	-17	-21	-18	-10	-23	-1	-29	-15
Not Employed	-35	-34	-21	-24	-31	-15	-43	-24

1. Do you think the nation's economy is getting better, getting worse or staying the same?

	Getting Better	Getting Worse	Staying the Same	No Opinion
5/14/06	14	56	29	1
4/16/06	19	47	33	2
3/12/06	14	49	36	1
2/12/06	17	48	33	2
1/15/06	20	39	38	3

12/18/05	18	47	33	2
11/13/05	18	52	28	2
10/16/05	9	57	32	2
9/18/05	11	60	27	2
8/14/05	16	41	40	3
7/17/05	21	43	33	2
6/19/05	17	43	38	1
5/15/05	16	51	32	1
4/17/05	14	48	34	3
3/13/05	23	40	35	1
2/13/05	17	40	39	3
1/16/05	22	34	42	2
12/12/04	29	33	38	1
11/14/04	28	33	37	2
10/17/04	27	42	30	1
9/12/04	26	38	35	1
8/15/04	24	38	36	2
7/18/04	29	36	33	2
6/13/04	28	38	34	*
5/16/04	25	41	32	2
4/18/04	26	37	35	2
3/14/04	23	42	34	1
2/15/04	29	37	32	2
1/18/04	34	27	37	1
12/14/03	35	27	37	2
11/16/03	32	28	38	2
10/12/03	30	32	35	3
9/14/03	25	39	34	2
8/17/03	26	38	36	1
7/20/03	20	37	42	1
6/15/03	25	33	43	0
5/11/03	22	36	41	0
4/13/03	20	37	43	0
3/16/03	9	52	39	0
2/16/03	20	44	36	0
1/19/03	19	43	37	0

Call for full trend.

\*=less than 1 percent.

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