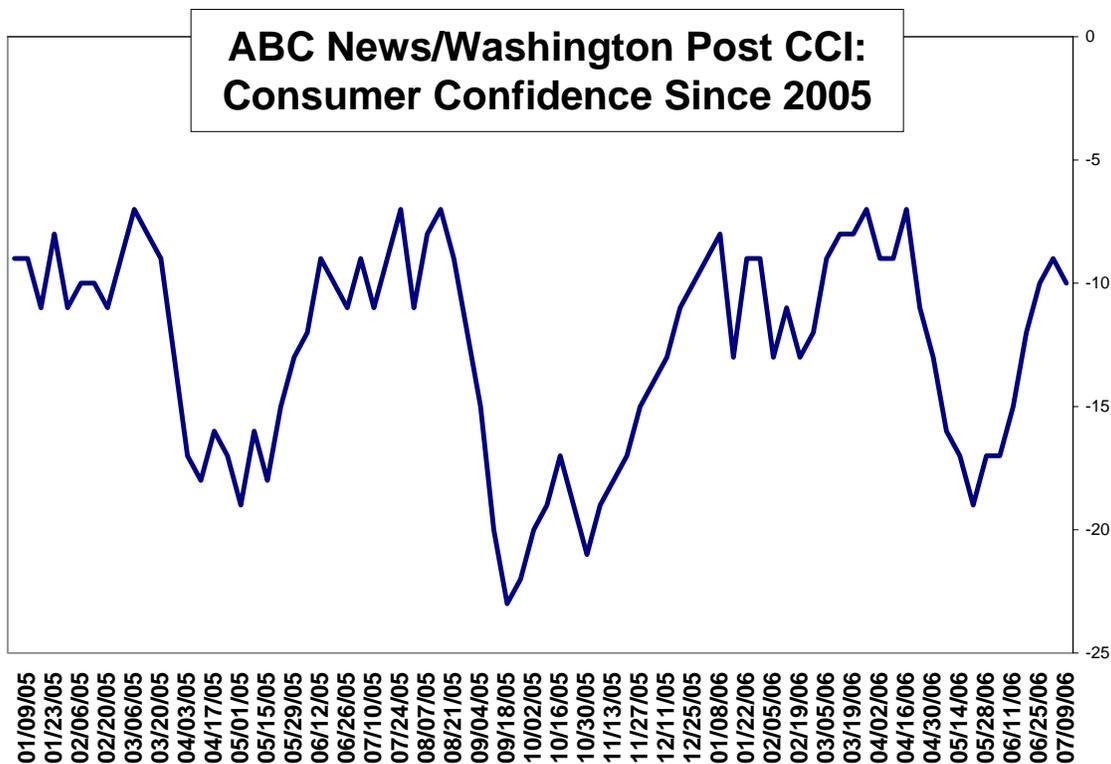


## **Confidence Holds for Now Amidst Higher Gas Prices**

Consumer confidence held essentially steady this week despite weak job growth and the highest prices at the pump since the aftermath of Hurricane Katrina. How long it holds is another question.

The ABC News/Washington Post Consumer Comfort Index stands at -10 on its scale of +100 to -100, up from -19 May 21. The index has hovered around its long-term average of -9 for the past three weeks, after sharp gains in June. This week's result, though, does indicate a slight dip in ratings of the buying climate, down three points.

The index recovered as gas prices stabilized earlier this summer. But gas now has gained 10 cents in the last two weeks to \$2.97 a gallon, the second-highest nominal price on record. Further price hikes could well take a toll: Confidence has declined, often sharply, in the face of previous gas price spikes, for example in spring 2005 (gas up 24 cents; index down 12 points), late summer 2005 (gas up 24 cents; index down 16) and this past spring (gas up 11 cents, but up 34 cents in the previous 10 weeks; index down 12).



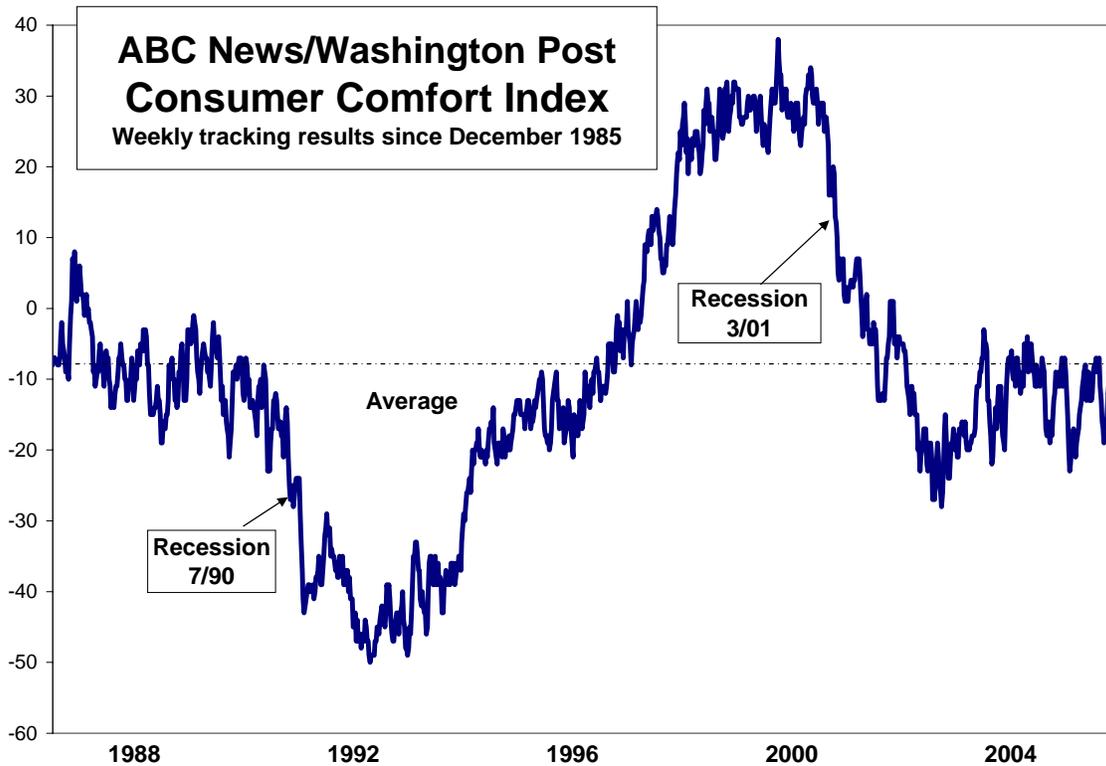
The four-week change in the price of gasoline has correlated significantly with the change in the index over time, and particularly in the past year.

Separately, job growth in June (121,000) fell short of economists' estimates.

**INDEX** – The weekly ABC/Post index is based on Americans' ratings of the national economy, the buying climate and their personal finances. Forty percent now rate the economy positively, 36 percent say it's a good time to buy things and 59 percent say their finances are in good shape, each at or very near its average in week polls since late 1985.

Positive ratings of:	ABC News/Washington Post CCI			
	This week	May 21	2006 avg.	20-yr. avg.
National economy	40%	33	39	40
Buying climate	36	32	36	38
Personal finances	59	56	58	57
Consumer Comfort Index	-10	-19	-12	-9

**TREND** – At -10, the CCI falls between the year's average of -12 and the long-term average of -9. It peaked twice this year at -7, most recently in April, then fell sharply to a 2006-low of -19 on May 21 before advancing. The index hit its all-time high of +38 in January 2000 and fell to its all-time low of -50 in February 1992.

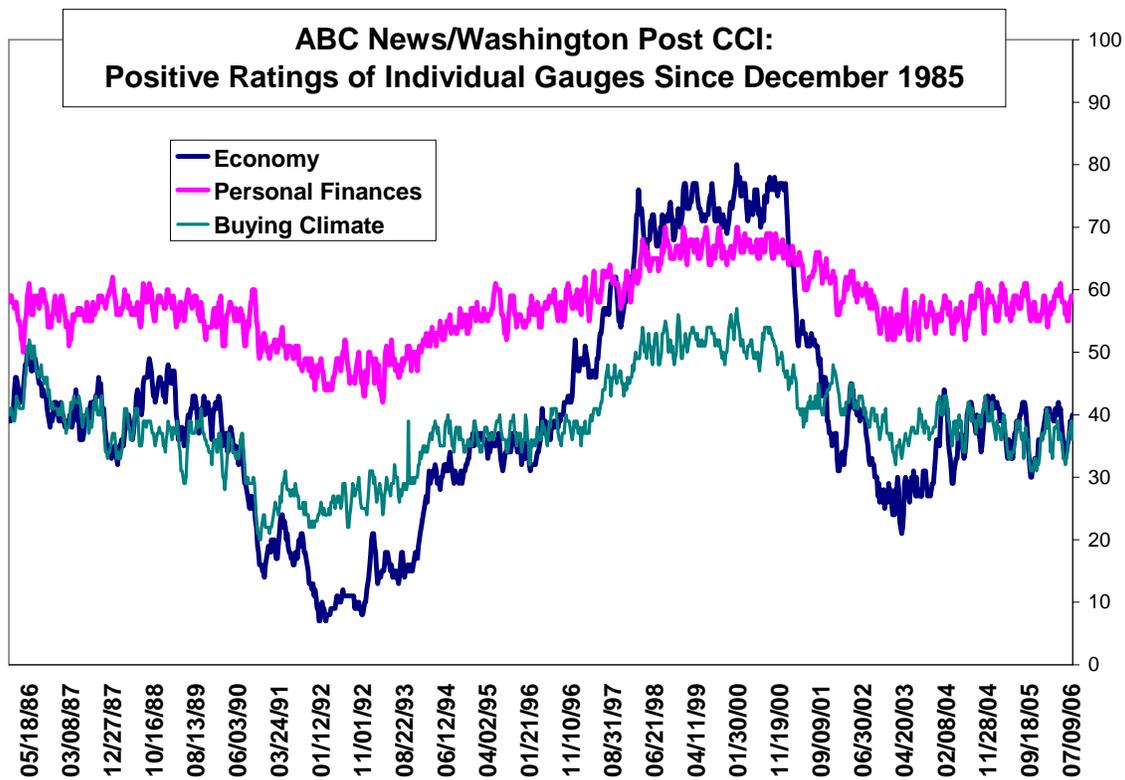


	ABC/Post CCI
Today	-10
Last week	-9

2006 low	-19	May 21
2006 high	-7	April 16, March 26
2006 average	-12	
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 index is higher in better-off groups. It's +29 among higher-income Americans while -47 among those with the lowest incomes, +2 among college graduates while -35 among those who haven't finished high school, -5 among whites but -35 among blacks and -3 among men while -17 among women.

Regionally the CCI ranges from -3 in the West to -8 in the Midwest, -9 in the Northeast and -17 in the South. It remains far higher among Republicans (+28) than among independents (-19) or, particularly, Democrats (-30).



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

NATIONAL ECONOMY – Forty percent of Americans rate the economy as excellent or good; it was 39 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	40	4	36	60	39	21
Avg. since 12/85	40	3	37	60	40	20

PERSONAL FINANCES – Fifty-nine 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	59	8	51	41	29	12
Avg. since 12/85	57	5	52	43	30	13

BUYING CLIMATE – Thirty-six percent say it's an excellent or good time to buy things; it was 39 percent 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	36	3	33	64	45	19
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 July 9, 2006. The results have a three-point error margin. 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 Tanveer Ali.

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

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

07/09/06	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	-10	-9	-15	-9	-11	-7	-23	-13
State of Economy	-21	-22	-28	-20	-20	-16	-40	-25

Personal Finances	18	18	10	20	14	22	8	15
Buying Climate	-29	-22	-26	-26	-26	-18	-38	-29

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OVERALL INDEX BY DEMOGRAPHIC GROUPS

Sex:								
Men	-3	-3	-4	4	3	9	-14	-2
Women	-17	-14	-24	-19	-25	-11	-36	-23
Age:								
18 - 34	-5	1	-8	-10	-23	1	-28	-10
35 - 44	-11	-15	-12	3	-5	5	-27	-11
45 - 54	-16	-8	-25	-16	-5	-5	-31	-17
55 - 64	-20	-19	-12	0	-15	0	-36	-13
65+	-6	-13	-21	-18	-1	-1	-31	-16
Income:								
Under \$15K	-47	-39	-43	-60	-56	-33	-72	-53
\$15K To \$24.9K	-50	-45	-52	-31	-48	-28	-65	-45
\$25K To \$39.9K	-21	-17	-18	-24	-23	-12	-44	-27
\$40K To \$49.9K	6	-21	-41	0	-4	26	-41	-12
Over \$50K	13	13	8	15	23	26	4	17
\$50K To \$74.9K	-7	-3	-7	5	10	17	-14	3
\$75K To \$99.9K	18	18	10	14	23	31	-1	17
Over \$100K	29	26	25	31	38	50	18	35
Region:								
Northeast	-9	-8	-19	-22	-11	-5	-41	-19
Midwest	-8	-11	-23	-11	-6	-3	-29	-16
South	-17	-13	-15	-4	-12	2	-27	-13
West	-3	-1	-3	-1	-16	7	-19	-5
Race:								
White	-5	-5	-12	-2	-6	-1	-18	-8
Black	-35	-27	-39	-52	-55	-25	-57	-43
Politics:								
Republican	28	24	22	36	31	38	9	27
Democrat	-30	-27	-39	-29	-36	-27	-46	-36
Independent	-19	-15	-18	-23	-20	-10	-31	-19
Education:								
< High School	-35	-34	-49	-23	-47	-23	-63	-41
High Sch. Grad.	-18	-14	-22	-17	-21	-13	-35	-23
College +	2	2	0	3	7	12	-9	2
Home:								
Own	-2	-3	-6	-1	-1	2	-17	-5
Rent	-35	-28	-39	-29	-38	-20	-49	-33
Marital Status:								
Single	-9	-7	-18	-22	-29	-7	-29	-17
Married	-5	-3	-6	6	5	8	-14	-2
Sep/Wid/Div	-26	-26	-35	-28	-28	-22	-49	-34
Employ. Status:								
Full-Time	-1	-1	-7	2	3	9	-13	-2
Part-Time	-10	-4	-18	-11	-27	-1	-29	-16
Not Employed	-23	-23	-26	-21	-24	-15	-43	-24

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