

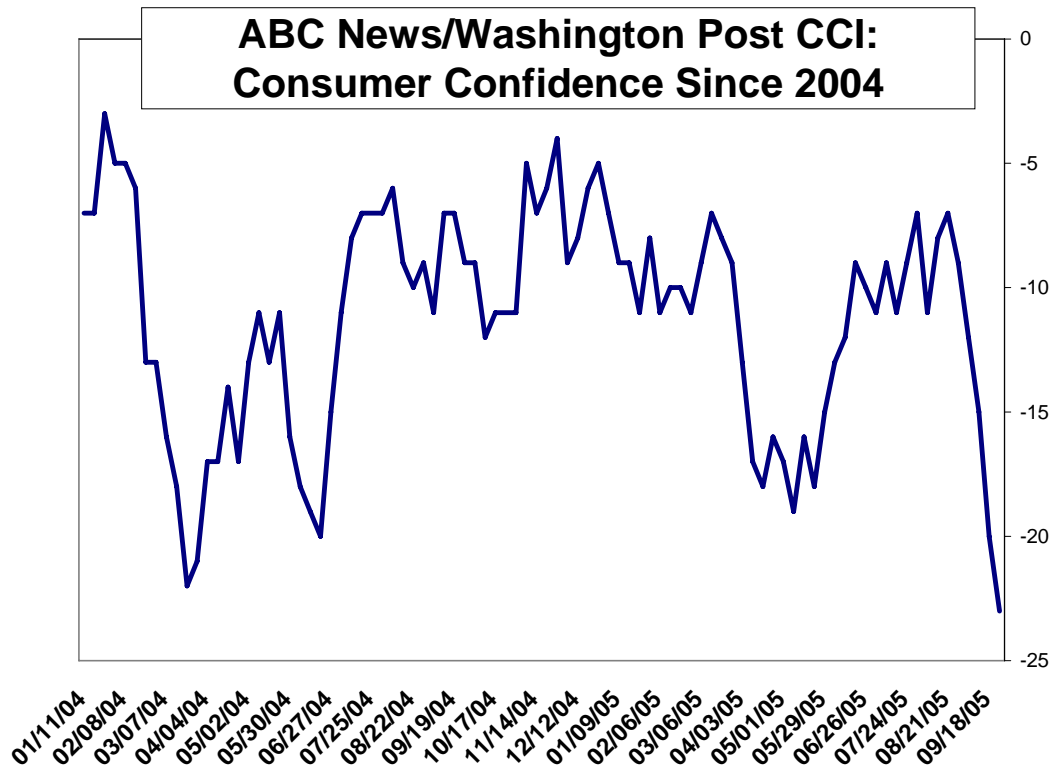
## Economic Pessimism Spikes

Economic pessimism spiked this week to its worst in more than 13 years, punctuating a steep five-week decline in consumer confidence that's been deepened by the aftermath of Hurricane Katrina and \$3 gas.

Public ratings of current economic conditions are now their worst since May 2003. And more striking is the look ahead: Sixty percent of Americans now say the economy is getting worse, up a very steep 19 points from last month to the highest level of pessimism since December 1991.

The Fed took note of economic concerns today, saying that Katrina and its impact on economic activity and gasoline prices "have increased uncertainty about near-term economic performance." Nonetheless it said it didn't see these as a "persistent threat," and raised interest rates by a quarter-point.

INDEX – The ABC News/Washington Post Consumer Comfort Index, based on views of current economic conditions – the national economy, the buying climate and personal finances – stands at -23 on its scale of +100 to -100, down 11 points since Katrina struck and down 16 points in the last five weeks. The index is lowest, -27, in the South, but nearly as weak in the East and Midwest as well.



This week just 30 percent rate the economy positively, down 11 points since mid-August to the fewest since March 2004. Only 31 percent call it a good time to buy things, down seven points since mid-August to its lowest level since Nov. 1993. More, 55 percent, say their own finances are in good shape – but that too is down, from 61 percent last month.

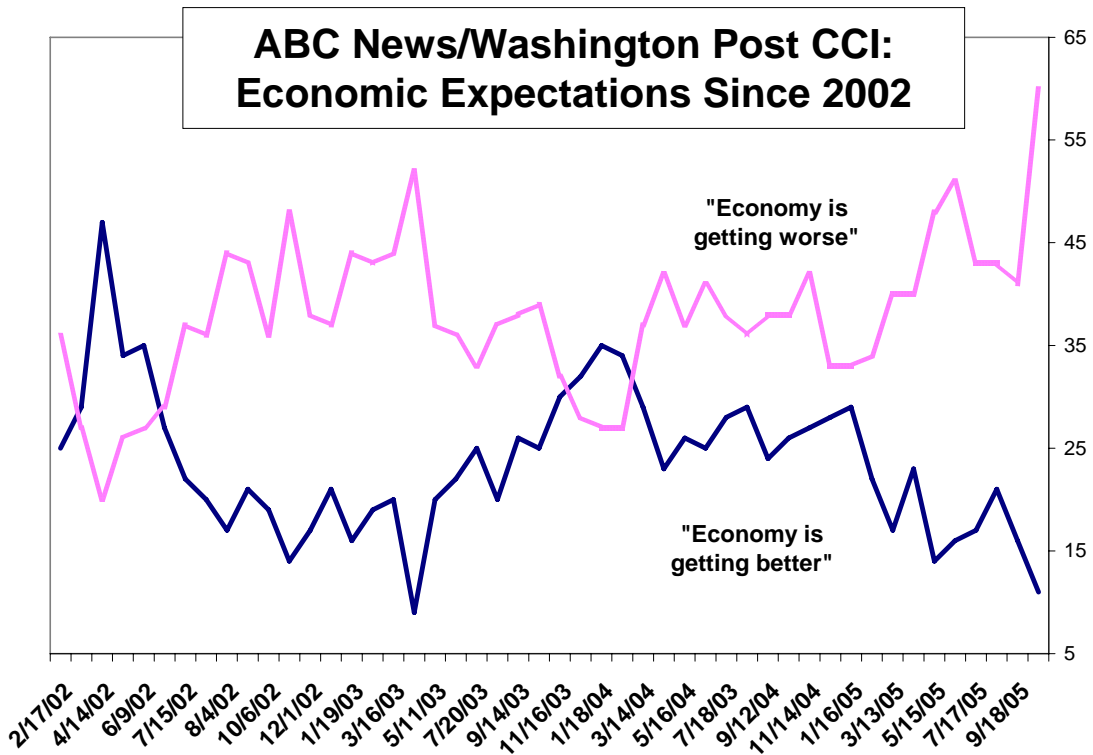
ABC News/Washington Post CCI

| Positive ratings of:   | This week | Last week | 2005 avg. | 19-yr. avg. |
|------------------------|-----------|-----------|-----------|-------------|
| National economy       | 30%       | 32        | 38        | 40          |
| Buying climate         | 31        | 32        | 36        | 39          |
| Personal finances      | 55        | 56        | 58        | 57          |
| Consumer Comfort Index | -23       | -20       | -12       | -9          |

EXPECTATIONS – Consumers’ expectations for the economy, measured separately, show a broadly pessimistic public. Just 11 percent of Americans say the economy is getting better. As noted, 60 percent say the economy is getting worse, up from 41 percent last month and compared with an average of 38 percent in polls since 1981.

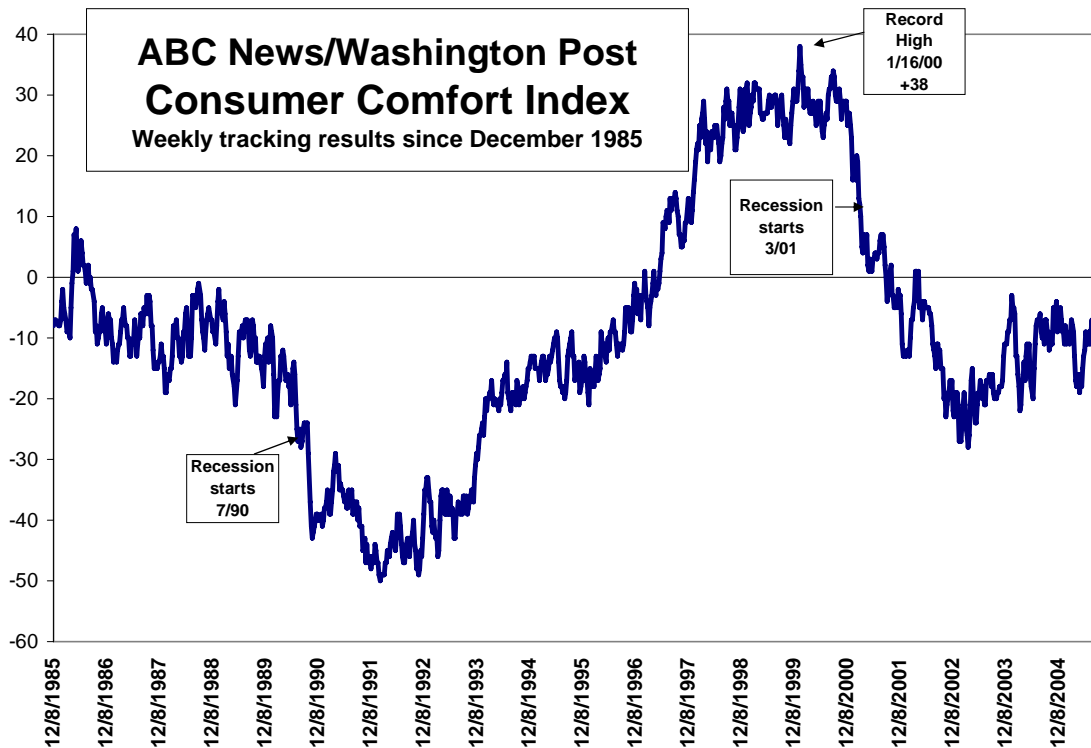
Economy is:

|                 | Getting better | Getting worse | Staying the same |
|-----------------|----------------|---------------|------------------|
| Now             | 11%            | 60            | 27               |
| August          | 16             | 41            | 40               |
| December 1991   | 4              | 66            | 30               |
| Avg. since 1981 | 21             | 38            | 40               |



TREND – At -23, the CCI is well below its average this year, -12, and its long-term average, -9 since December 1985. It reached an all-time high of +38 in January 2000 and an all-time low of -50 in February 1992. This year it's been as high as -7, most recently two months ago.

|                     | ABC/Post CCI |                           |
|---------------------|--------------|---------------------------|
| Today               | -23          |                           |
| Last week           | -20          |                           |
| 2005 low            | -23          | Sept. 18                  |
| 2005 high           | -7           | Aug. 14, July 24, March 6 |
| 2005 average        | -12          |                           |
| 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 overall in better-off groups. It's +20 among higher-income Americans while -60 among those with the lowest incomes, -6 among college graduates while -48 among those who haven't finished high school, -17 among whites but -51 among blacks and -13 among men while -31 among women.

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

**NATIONAL ECONOMY** – Thirty percent of Americans rate the economy as excellent or good; it was 32 percent last week. The highest was 80 percent on Jan. 16, 2000. The lowest was seven percent in late 1991 and early 1992.

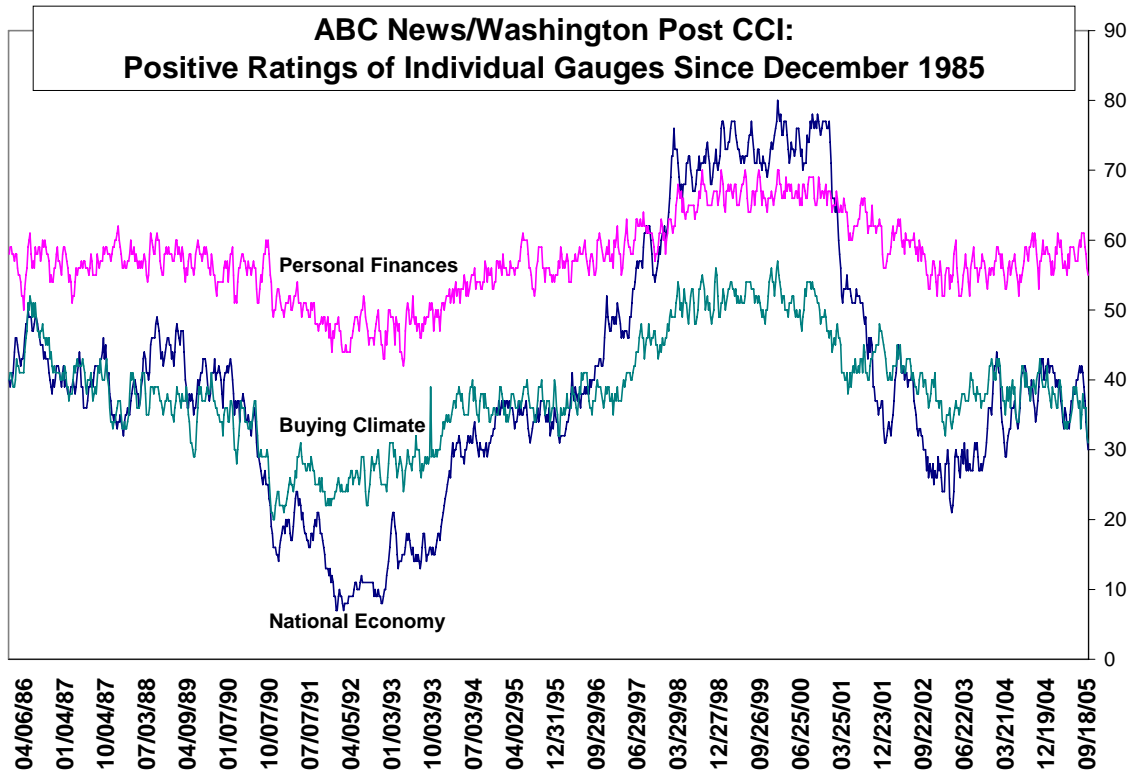
|                  | Pos. NET | Excel. | Good | Neg. NET | Not good | Poor |
|------------------|----------|--------|------|----------|----------|------|
| This week        | 30       | 3      | 27   | 70       | 44       | 26   |
| Avg. since 12/85 | 40       | 3      | 37   | 60       | 40       | 20   |

**PERSONAL FINANCES** – Fifty-five percent say their own finances are excellent or good; it was 56 percent 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        | 55       | 6      | 49   | 45       | 32       | 13   |
| Avg. since 12/85 | 57       | 5      | 52   | 43       | 30       | 13   |

**BUYING CLIMATE** – Thirty-one percent say it’s an excellent or good time to buy things; it was 32 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        | 31       | 2      | 29   | 69       | 43       | 26   |
| Avg. since 12/85 | 39       | 3      | 36   | 61       | 41       | 20   |



**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 Sept. 18, 2005. The results have a three-point error margin. The expectations question was asked of 500 respondents Sept. 7-18; 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.

The Washington Post replaced Money magazine as cosponsor of this index at the start of this year. The survey methodology remains the same.

Analysis by Felicia Cote.

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

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

| 09/18/05                            | 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                       | -23       | -20       | -9        | -10       | -9        | -4         | -23       | -11       |
| State of Economy                    | -40       | -36       | -22       | -24       | -26       | -14        | -40       | -23       |
| Personal Finances                   | 10        | 12        | 22        | 16        | 18        | 22         | 6         | 16        |
| Buying Climate                      | -38       | -36       | -28       | -22       | -20       | -14        | -38       | -25       |
| -----                               |           |           |           |           |           |            |           |           |
| OVERALL INDEX BY DEMOGRAPHIC GROUPS |           |           |           |           |           |            |           |           |
| Sex:                                |           |           |           |           |           |            |           |           |
| Men                                 | -13       | -14       | 0         | -2        | -5        | 9          | -16       | -2        |
| Women                               | -31       | -27       | -18       | -18       | -13       | -13        | -31       | -19       |
| Age:                                |           |           |           |           |           |            |           |           |
| 18 - 34                             | -28       | -22       | -8        | -13       | -7        | 3          | -28       | -9        |
| 35 - 44                             | -13       | -12       | -5        | -13       | -8        | 6          | -27       | -9        |
| 45 - 54                             | -26       | -27       | -14       | -6        | -14       | 10         | -34       | -12       |
| 55 - 64                             | -17       | -19       | -10       | -13       | -13       | -2         | -25       | -13       |
| 65+                                 | -24       | -23       | -10       | -3        | -7        | -1         | -32       | -14       |
| Income:                             |           |           |           |           |           |            |           |           |
| Under \$15K                         | -60       | -56       | -51       | -52       | -40       | -35        | -75       | -52       |
| \$15K To \$24.9K                    | -60       | -47       | -36       | -45       | -44       | -13        | -60       | -40       |
| \$25K To \$39.9K                    | -29       | -28       | -28       | -20       | -9        | -8         | -37       | -22       |
| \$40K To \$49.9K                    | -24       | -29       | 1         | 17        | -26       | 17         | -37       | -12       |
| Over \$50K                          | 15        | 16        | 17        | 16        | 15        | 35         | 10        | 19        |
| \$50K To \$74.9K                    | 9         | 13        | 6         | -3        | 12        | 28         | -9        | 6         |
| \$75K To \$99.9K                    | 17        | 10        | 16        | 37        | 14        | 37         | 4         | 22        |
| Over \$100K                         | 20        | 25        | 34        | 25        | 19        | 51         | 19        | 37        |
| Region:                             |           |           |           |           |           |            |           |           |
| Northeast                           | -22       | -18       | -15       | -8        | -11       | 2          | -28       | -14       |
| Midwest                             | -21       | -20       | -13       | -19       | -9        | -3         | -26       | -13       |
| South                               | -27       | -24       | -2        | -5        | -5        | 4          | -27       | -9        |

|                 |     |     |     |     |     |     |     |     |
|-----------------|-----|-----|-----|-----|-----|-----|-----|-----|
| West            | -16 | -17 | -11 | -11 | -14 | 5   | -21 | -9  |
| Race:           |     |     |     |     |     |     |     |     |
| White           | -17 | -15 | -2  | -5  | -6  | 2   | -17 | -6  |
| Black           | -51 | -45 | -44 | -48 | -31 | -20 | -56 | -40 |
| Politics:       |     |     |     |     |     |     |     |     |
| Republican      | 13  | 17  | 30  | 28  | 39  | 42  | 10  | 29  |
| Democrat        | -44 | -41 | -33 | -30 | -36 | -27 | -45 | -37 |
| Independent     | -22 | -26 | -18 | -20 | -21 | -7  | -30 | -17 |
| Education:      |     |     |     |     |     |     |     |     |
| < High School   | -48 | -43 | -26 | -48 | -34 | -21 | -55 | -38 |
| High Sch. Grad. | -34 | -33 | -23 | -17 | -17 | -2  | -34 | -19 |
| College +       | -6  | -6  | 5   | 6   | 4   | 10  | -6  | 3   |
| Home:           |     |     |     |     |     |     |     |     |
| Own             | -13 | -11 | -3  | 4   | -1  | 7   | -13 | -2  |
| Rent            | -47 | -49 | -25 | -41 | -30 | -20 | -49 | -32 |
| Marital Status: |     |     |     |     |     |     |     |     |
| Single          | -27 | -24 | -18 | -17 | -15 | -11 | -31 | -20 |
| Married         | -12 | -10 | 1   | -1  | 0   | 15  | -12 | 2   |
| Sep/Wid/Div     | -46 | -47 | -25 | -25 | -29 | -22 | -49 | -32 |
| Employ. Status: |     |     |     |     |     |     |     |     |
| Full-Time       | -13 | -13 | -2  | -2  | 1   | 12  | -13 | 0   |
| Part-Time       | -24 | -24 | -11 | -12 | -15 | -1  | -35 | -16 |
| Not Employed    | -34 | -30 | -20 | -18 | -20 | -15 | -34 | -22 |

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 |
|----------|----------------|---------------|------------------|------------|
| 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\*\*\*