

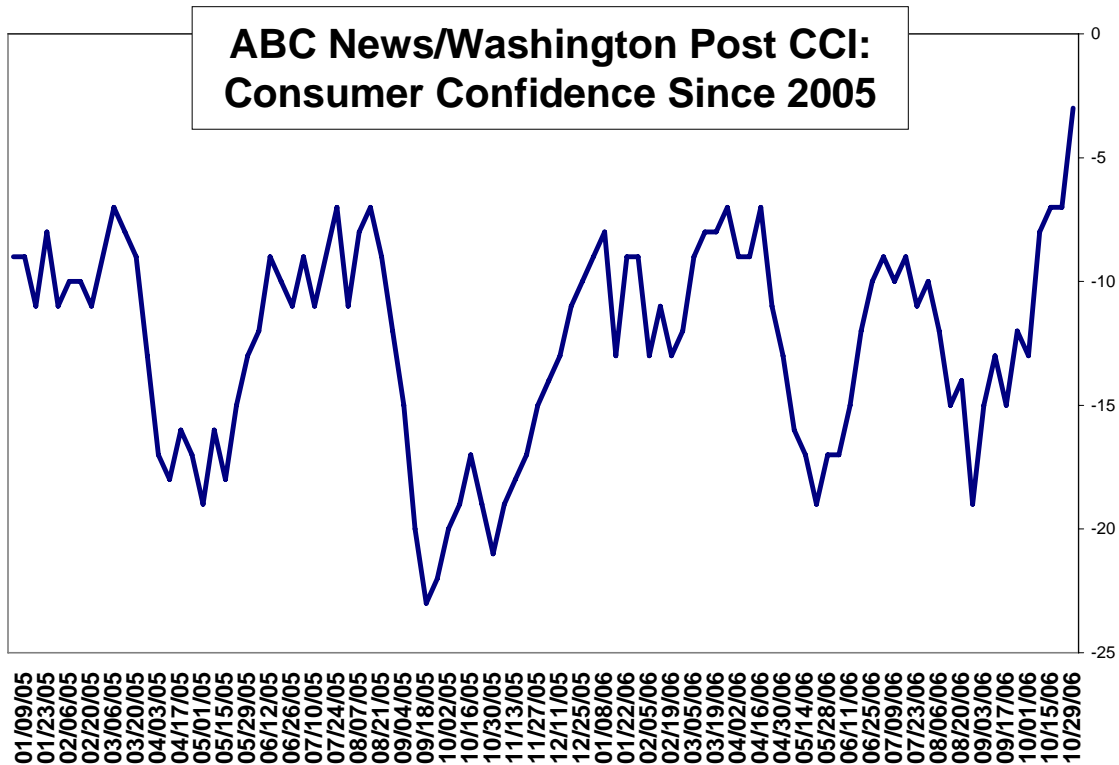
Confidence its Best in Nearly Three Years

A week before Election Day, consumer confidence has jumped to a near three-year high, with Americans' ratings of their own finances leading the way.

How it plays politically, though, is another matter.

The ABC News/Washington Post Consumer Comfort Index rose four points this week to -3 on its scale of +100 to -100, its best since January 2004. It's gained 10 points in the last month and 16 points in two months, and is now six points above its 20-year average.

There's good reason: At \$2.22 a gallon, gasoline has dropped by 82 cents since early August. Average incomes rose 0.5 percent in September, continuing a steady rise the last five months. And the U.S. Labor Department says wages and benefits paid to workers rose in the third quarter of this year at their fastest pace in more than two years.



Indeed, 63 percent of Americans now say their own finances are in good shape, up eight points in the last month to the most since April 2002.

Forty-four percent also rate the economy positively, up 11 points in the last two months to the most since January 2004. The CCI's third component has been more stable – 38 percent call it a good time to buy things, little changed in the last month.

Positive ratings of:	ABC News/Washington Post CCI			
	This week	Last week	2006 avg.	20-yr. avg.
National economy	44	42	39	40
Buying climate	38	38	36	38
Personal finances	63	60	58	57
Consumer Comfort Index	-3	-7	-11	-9

ELECTION – Despite higher consumer confidence, the economy doesn't look to be playing to the advantage of George W. Bush and his party. The economy received its highest rating of Bush's presidency in an ABC/Post poll last week, yet his overall job approval rating is just 37 percent. And registered voters who call the economy their top issue favor Democrats for House by an 18-point margin.

The key reason is that a bad economy has a much more powerful political punch than a good one. Overwhelmingly negative economic sentiment ruled in 1992; but in a better economy, other considerations come into play – particularly strong ones such as war and terrorism.

The strong economy in 2000 did not make Al Gore president. In 2002, when confidence was much lower than now, it shared top billing with terrorism. This year, Iraq trumps as the top-cited voting issue. And people who do call the economy the top issue in their vote this year are more apt to be unhappy with it – and thus to favor the Democrats.

	ABC/Money index	House change
Now	-3	
10/24/04	-11	3R
10/27/02	-21	8R
10/29/00	+26	2D
10/25/98	+21	5D
10/27/96	-7	9D
10/30/94	-20	52R
10/25/92	-48	10R

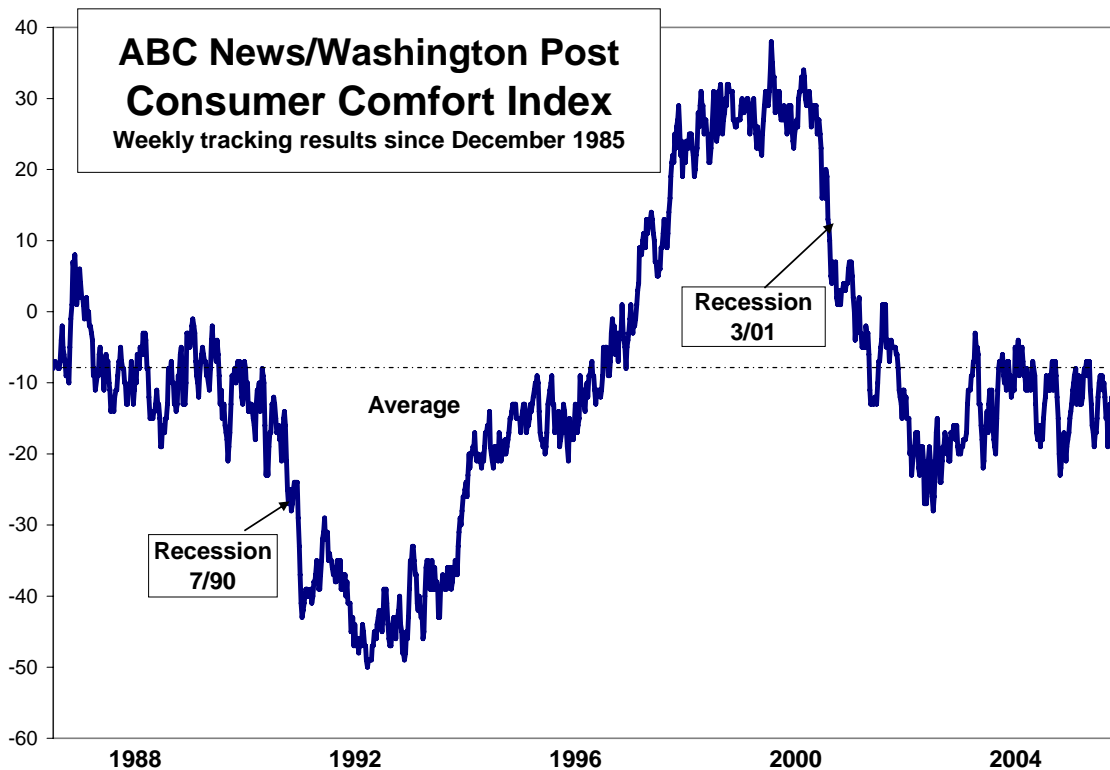
Another factor is the enormous partisan division in economic views; the CCI stands at +40 among Republicans, but -16 among independents and -20 among Democrats.

Finally, even with improved confidence overall, economic gains are not evenly spread. In last week's ABC/Post poll, as many Americans said they were falling behind as said they were getting ahead (about a quarter in each group). The rest said they were just holding steady financially – and they favored Democrats for House by a 17-point margin.

TREND – At -3, the CCI is four points better than its previous high this year and 16 points better than its 2006 low, last reached in August. Its all-time high was +38 in January 2000; its record low, -50 in February 1992.

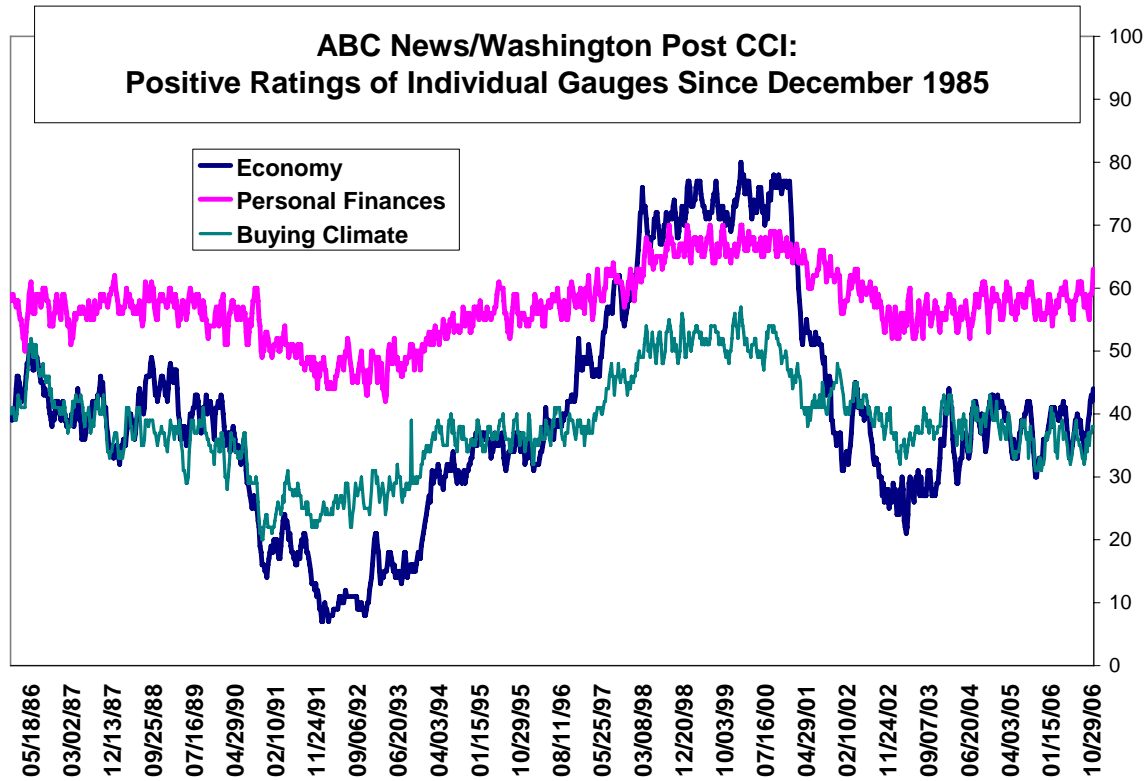
It's averaged -11 so far this year and -9 since this survey began in December 1985.

	ABC/Post	CCI
This week	-3	
Last week	-7	
Four weeks ago	-13	
2006 high	-3	Oct. 29
2006 low	-19	Aug. 27, May 21
2006 average	-11	
2005 average	-13	
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 +43 among higher-income Americans while -51 among those with the lowest incomes, +10 among college graduates while -27 among those who haven't finished high school, +2 among whites but -32 among blacks and +12 among men while -18 among women.

The index is +6 in the South, compared with -3 in the West, -9 in the Midwest and -15 in the Northeast.



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

NATIONAL ECONOMY – Forty-four percent of Americans rate the economy as excellent or good; it was 42 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	44	5	39	56	37	19
Avg. since 12/85	40	3	37	60	40	20

PERSONAL FINANCES – Sixty-three percent say their own finances are excellent or good; it was 60 percent 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	63	7	56	37	25	12
Avg. since 12/85	57	5	52	43	30	13

BUYING CLIMATE – Thirty-eight percent say it's an excellent or good time to buy things, 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	38	0	38	62	62	38
Avg. since 12/85	38	0	38	62	62	38

This week	38	3	35	62	41	21
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 Oct. 29, 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 Dalia Sussman.

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

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

10/29/06	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	-3	-7	-13	-10	-21	-3	-21	-12
State of Economy	-12	-16	-20	-22	-34	-12	-34	-24
Personal Finances	26	20	10	22	10	26	8	16
Buying Climate	-24	-24	-30	-30	-38	-18	-38	-29

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	12	10	-2	6	-3	12	-12	-1
Women	-18	-23	-23	-25	-36	-11	-36	-22
Age:								
18 - 34	2	1	-4	-4	-17	2	-24	-8
35 - 44	-10	-16	-23	-14	-27	5	-27	-11
45 - 54	-9	-18	-16	-21	-12	-6	-30	-17
55 - 64	4	3	-7	-10	-28	4	-36	-12
65+	-4	-8	-21	-6	-18	-1	-31	-15
Income:								
Under \$15K	-51	-52	-62	-65	-41	-33	-72	-55
\$15K To \$24.9K	-18	-30	-34	-44	-51	-18	-62	-43
\$25K To \$39.9K	0	-8	-31	-7	-42	0	-44	-23
\$40K To \$49.9K	7	3	9	-6	-23	26	-41	-10
Over \$50K	21	21	17	13	4	26	4	16
\$50K To \$74.9K	2	2	-6	-9	-14	17	-20	0
\$75K To \$99.9K	22	14	19	22	-1	31	-1	17
Over \$100K	43	46	39	29	30	50	24	35
Region:								
Northeast	-15	-23	-24	-13	-35	-3	-35	-19

Midwest	-9	-9	-19	-13	-27	-4	-33	-17
South	6	0	-10	-17	-18	6	-19	-12
West	-3	-3	-3	6	-4	7	-16	-1
Race:								
White	2	-2	-8	-7	-18	2	-18	-7
Black	-32	-42	-45	-38	-42	-27	-57	-42
Politics:								
Republican	40	33	29	24	9	40	9	28
Democrat	-20	-25	-37	-34	-36	-20	-46	-34
Independent	-16	-19	-20	-19	-31	-10	-31	-20
Education:								
< High School	-27	-31	-43	-53	-42	-23	-63	-42
High Sch. Grad.	-11	-15	-28	-14	-27	-11	-31	-20
College +	10	5	5	4	-9	12	-9	2
Home:								
Own	2	-3	-7	-3	-16	2	-17	-5
Rent	-16	-18	-33	-29	-32	-16	-44	-31
Marital Status:								
Single	-5	-13	-26	-12	-20	-4	-32	-17
Married	4	4	2	2	-14	8	-14	-1
Sep/Wid/Div	-22	-28	-36	-44	-38	-22	-49	-34
Employ. Status:								
Full-Time	8	8	-2	-5	-11	8	-12	-2
Part-Time	-13	-25	-13	-10	-23	-1	-29	-14
Not Employed	-18	-24	-26	-18	-32	-15	-43	-24

END