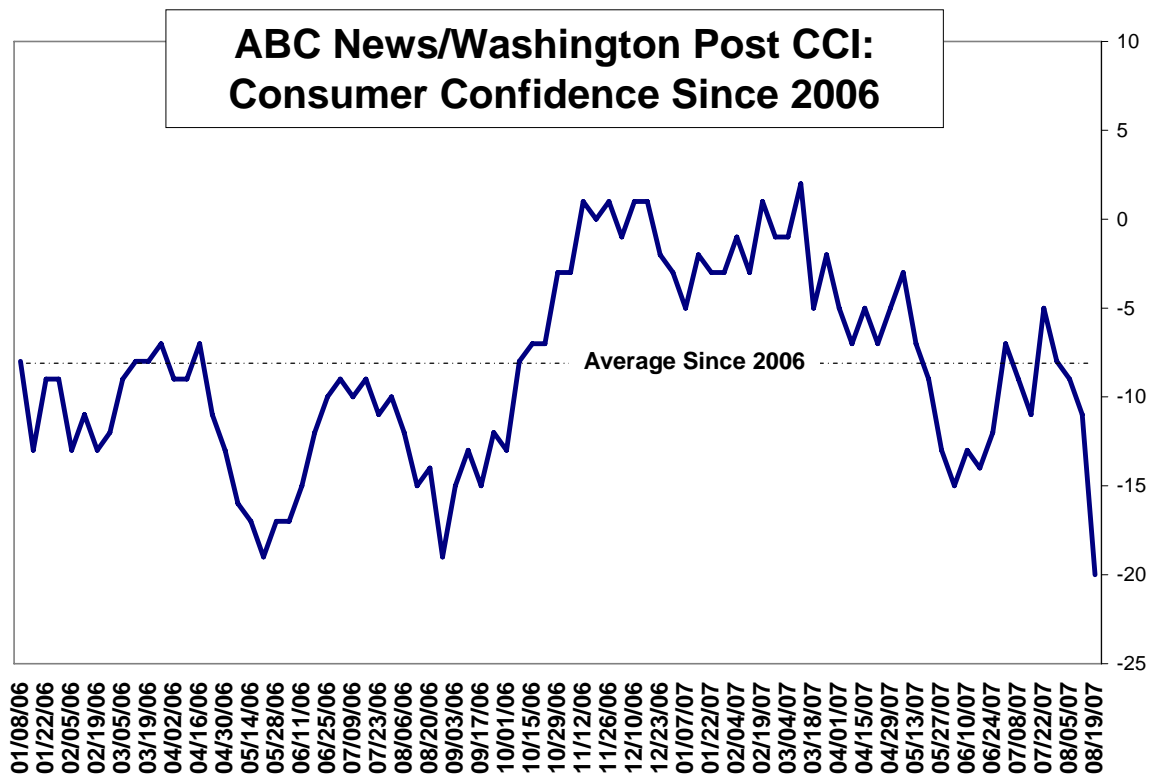


Consumer Confidence Tanks in Sharpest Drop in 20 Years

Consumer confidence sustained its steepest one-week drop in more than 20 years of ongoing polls this week, falling to its lowest level since the aftermath of Hurricane Katrina in late October 2005.

The ABC News/Washington Post Consumer Comfort Index lost an extraordinary nine points to -20 on its scale of +100 to -100, down from -11 last week and a summertime high of -5 four weeks ago. Before now the index never has fallen by more than seven points in a single week in 1,130 weeks of consecutive polling, and that's just four times.

The decline is broadly based among population groups, and there seems not to be a single negative event to blame, but a confluence: The stock market's fall, troubled housing and credit markets, the Fed's expressions of concern about an economic downturn, the cumulative effect of high gasoline prices during the summer driving months and a public broadly dispirited over the course of national events, driven by the unpopular war in Iraq.

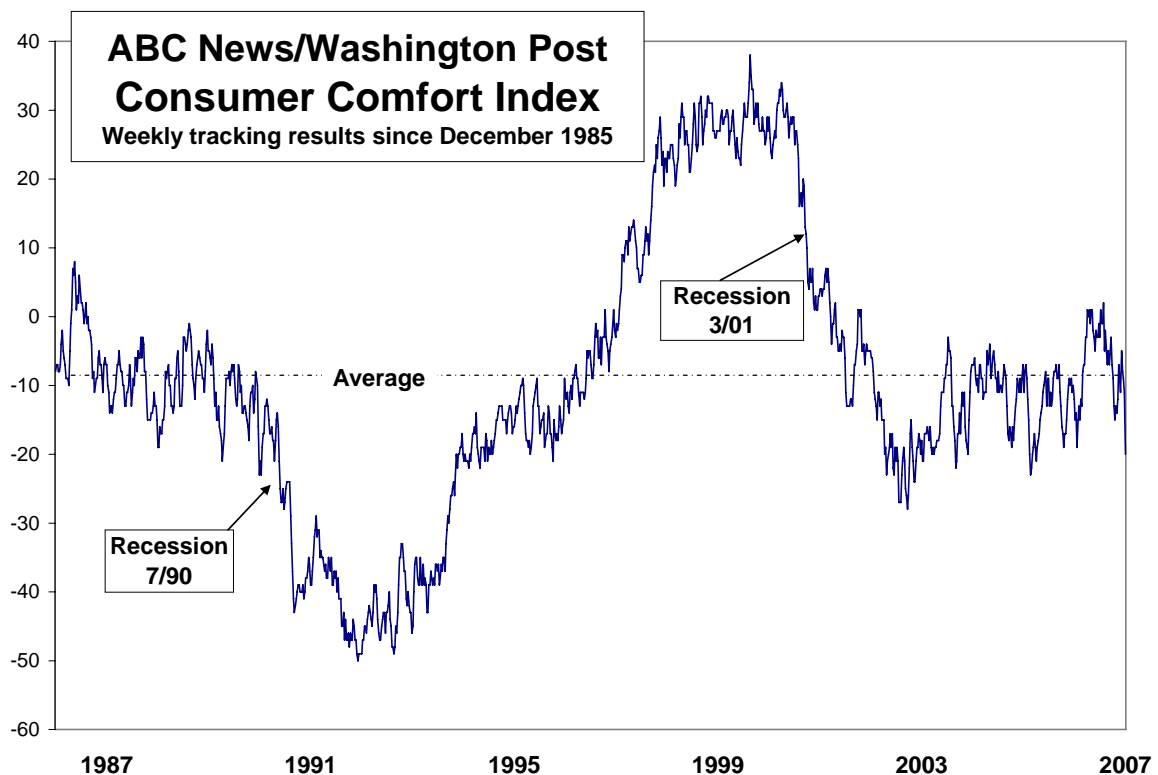


Last week's ABC/Post consumer survey hinted at this change: It found a significant increase in pessimism about the economy's future, with 57 percent of Americans saying the economy's getting worse, far above the 26-year average of 39 percent and the most since post-Katrina October 2005. This week, ratings of current conditions followed.

The drop in confidence in fact has been brewing since late July. The CCI reached its summertime high of -5 on July 22, then turned down to -8 the next week and -11 last week. The index is based on a four-week rolling average of 250 weekly interviews; this week, the positive week of July 22 rolled out of the average, and far bleaker views the past week rolled in.

INDEX – The index is based on Americans' ratings of the national economy, their personal finances and the buying climate, and all took a hit this week: Just 32 percent say the economy's in good shape, down five points in a week to the fewest since October 2005; 53 percent say their personal finances are OK, down five points to the fewest since October 2004; and 35 percent call it a good time to spend money, matching what it was this past June.

Compared to a month ago, positive ratings of the national economy have taken the biggest fall, down 12 points; positive ratings of personal finance have dropped by six points; positive views of the buying climate, four points.



ABC News/Washington Post CCI

Positive ratings of:	This week	Last week	7/22	Averages	
				2007	'85-'07
National economy	32%	37	44	42	40
Buying climate	35	39	39	38	38
Personal finances	53	58	59	60	57
Consumer Comfort Index	-20	-11	-5	-7	-9

TREND – Competing positive and negative forces have been pulling at consumer sentiment lately, producing gyrations in the CCI. It reached a better-than-average -3 in early May, fell (amid rising gasoline prices) to -15 a month later, recovered in July, and now has dropped again.

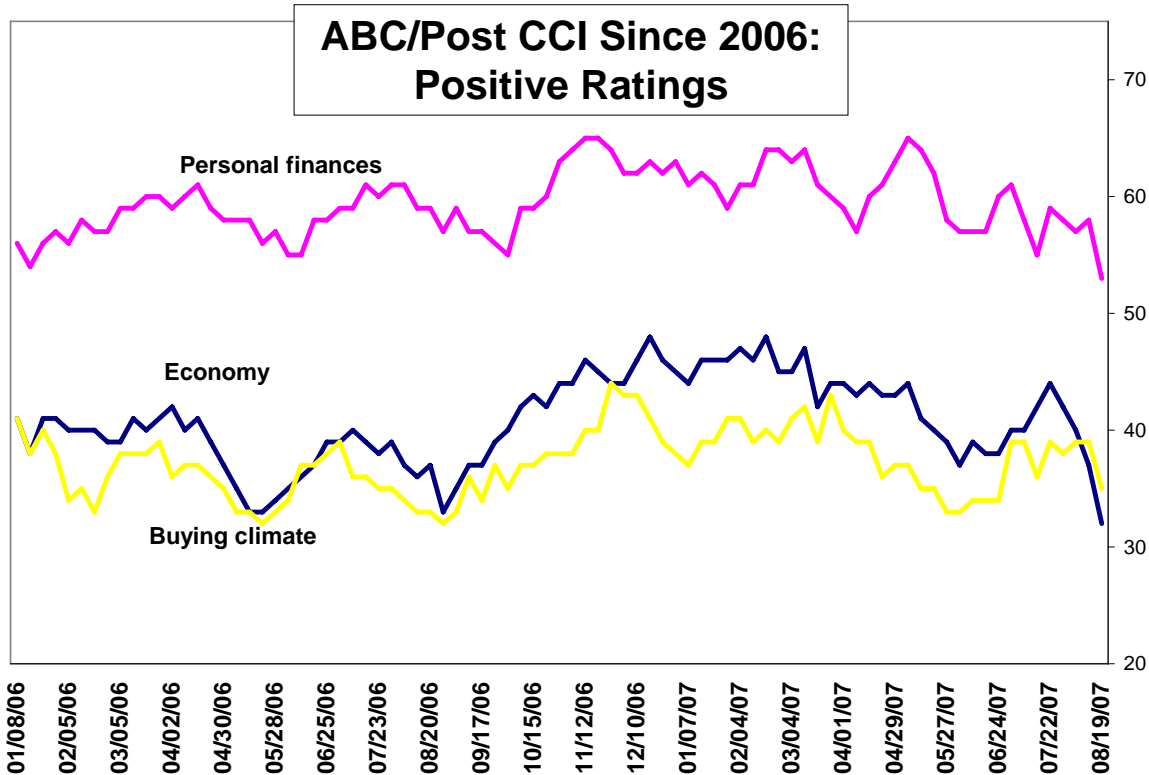
At -20, the index today is well below its 2007 average, -7, and its long-term average of -9 since this weekly poll began in late 1985. This year alone it's ranged from +2 in March to today's -20, and one of its previous record falls, -7, occurred the week of March 18. The CCI also fell by seven points in a single week in February 2004, January 2001 and February 1990. Those shared the record for a one week-drop – until this week.

	ABC/Post	CCI
This week	-20	Biggest one-week drop; 2007 low
Last week	-11	
Month ago	-5	
2007 high	+2	March 11
2007 average	-7	
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, but it's declined across the board. It's +35 among higher-income adults (down 12 points from last week) compared with -47 among those with the lowest incomes (down 16 points).

The index is -2 among those who've been to college while -49 among high-school dropouts and -14 among whites but -38 among blacks. The gap between men and women has been narrower than usual lately; again that's so this week, with a CCI of -17 among men and -21 among women.

Partisan differences remain: The index is +15 among Republicans, -32 among independents and -33 among Democrats. Republicans were one of the few groups that didn't participate in this week's decline in confidence; however their views, like others', have worsened in the past month overall.



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

NATIONAL ECONOMY – Thirty-two percent of Americans rate the economy as excellent or good; it was 37 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	32	3	29	68	47	21
Avg. since 12/85	40	4	37	60	40	20

PERSONAL FINANCES – Fifty-three percent say their own finances are excellent or good; it was 58 percent last week. The best was 70 percent last reached in January 2000. The worst was 42 percent on March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	53	6	47	47	35	12
Avg. since 12/85	57	5	52	43	30	13

BUYING CLIMATE – Thirty-five 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
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This week	35	3	32	65	45	20
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 Aug. 19, 2007. 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 Gary Langer.

ABC News polls can be found online at <http://abcnews.go.com/US/PollVault/>.

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

08/19/07	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	-20	-11	-5	-9	-14	2	-20	-7
State of Economy	-36	-26	-12	-20	-26	-4	-36	-16
Personal Finances	6	16	18	24	18	30	6	20
Buying Climate	-30	-22	-22	-30	-34	-12	-36	-24

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	-17	-9	-4	2	4	17	-17	3
Women	-21	-11	-6	-19	-30	-3	-32	-15
Age:								
18 - 34	-27	-16	0	-4	-14	6	-27	-3
35 - 44	-16	-11	-13	-10	-6	11	-23	-7
45 - 54	-17	-1	2	-21	-17	2	-30	-10
55 - 64	-17	-11	-15	-10	-19	22	-26	-7
65+	-15	-7	-4	-2	-14	8	-22	-7
Income:								
Under \$15K	-47	-31	-41	-52	-69	-21	-69	-47
\$15K To \$24.9K	-57	-52	-42	-35	-51	-15	-62	-36
\$25K To \$39.9K	-40	-35	-23	-19	-3	0	-41	-21
\$40K To \$49.9K	-47	-25	-6	1	-20	15	-47	-11
Over \$50K	13	24	21	10	8	35	7	22
\$50K To \$74.9K	-8	6	0	-3	-17	29	-17	7
\$75K To \$99.9K	7	17	20	8	11	44	1	19
Over \$100K	35	47	46	26	42	56	19	41
Region:								
Northeast	-22	-4	-8	-28	-26	11	-35	-14

Midwest	-27	-21	-18	-4	-17	2	-33	-14
South	-19	-15	-1	-8	-15	16	-19	-3
West	-10	4	3	1	3	23	-11	2
Race:								
White	-14	-6	-3	-5	-9	10	-14	-2
Black	-38	-32	-29	-30	-47	-11	-54	-35
Politics:								
Republican	15	16	28	28	18	45	15	30
Democrat	-33	-15	-20	-23	-30	-13	-37	-25
Independent	-32	-20	-8	-22	-20	1	-32	-14
Education:								
< High School	-49	-44	-34	-36	-42	-13	-49	-33
High Sch. Grad.	-28	-19	-13	-16	-19	0	-31	-16
College +	-2	9	10	5	-2	18	-9	8
Home:								
Own	-15	-6	0	-8	-7	10	-15	0
Rent	-33	-25	-17	-12	-30	-12	-40	-24
Marital Status:								
Single	-33	-17	-6	-9	-24	1	-33	-12
Married	-5	3	4	-4	1	17	-10	4
Sep/Wid/Div	-32	-28	-27	-24	-37	-19	-42	-28
Employ. Status:								
Full-Time	-8	-3	-4	-1	-8	15	-12	4
Part-Time	-39	-23	-4	-15	-15	13	-39	-9
Not Employed	-25	-14	-8	-16	-22	-7	-43	-22

END