

ABC NEWS CONSUMER INDEX – 1/20/08

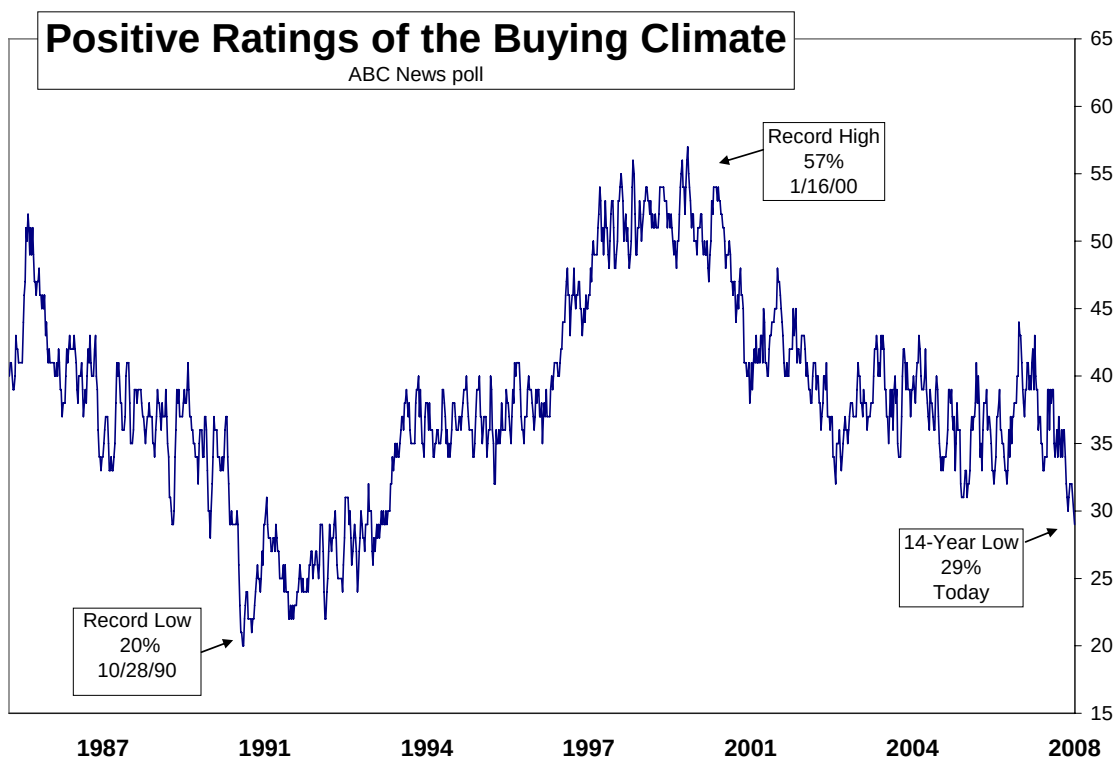
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Buying Climate at 14-Year Low as Consumer Confidence Labors

Americans' ratings of the buying climate hit their worst in 14 years this week, with consumer confidence overall extending its long slump in negative double digits.

The ABC News Consumer Comfort Index stands at -23 on its scale of +100 to -100, essentially flat after matching its 2007 low last week. It's the CCI's 24th consecutive week in negative double digits, its longest slump since 2002-03.

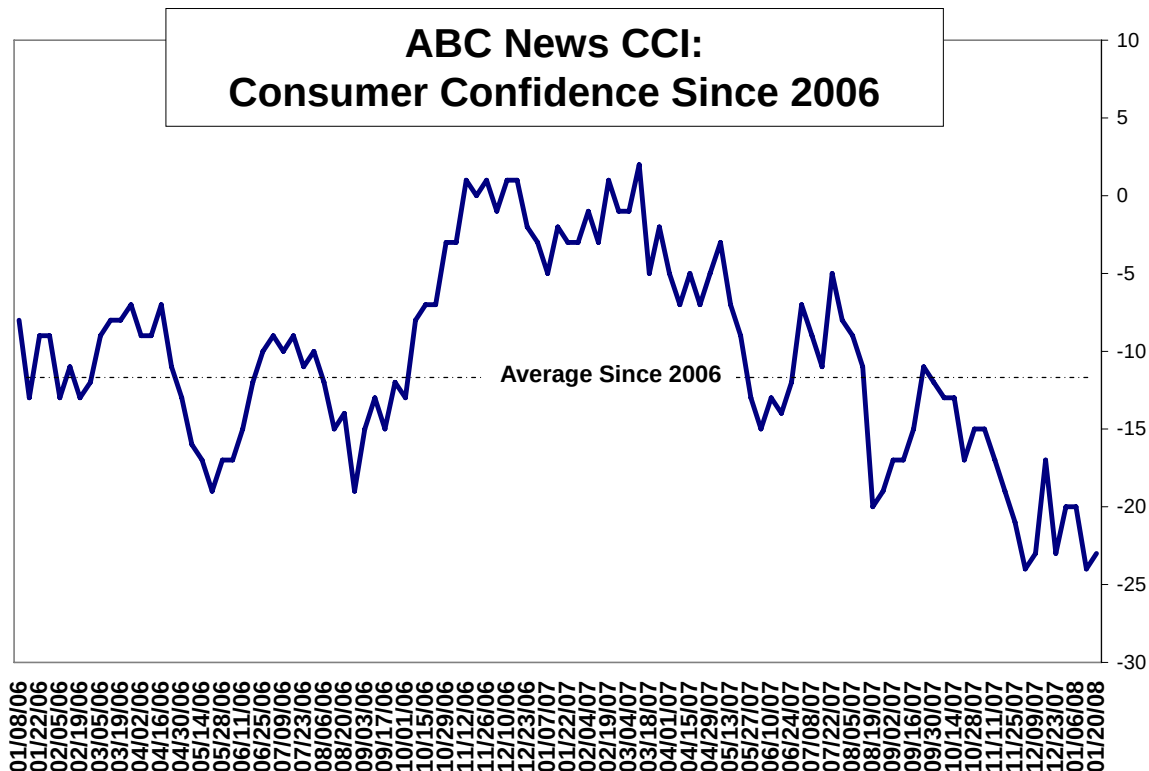
It's a chilling sign given the role of consumer spending in the economy, only 29 percent call this a good time to buy things they want and need, the fewest since Oct. 24, 1993. That echoes last week's Federal Reserve "Beige Book," which underlined disappointing year-end retail sales as well as a weak housing market and limited employment gains.



The stock market's hardly helped, down 1,293 points this year, 507 just last week and down 128 points today – although today's result was better than expected after the rout in foreign markets, which led the Fed to order an unusual between-meetings cut of three-quarters of a point in its benchmark federal funds rate.

At -23, the index is far below its long-term average, -9 in weekly polls since late 1985, and down from 6 points since the middle of last month. It fell more steeply at the start of the last two recessions – down 16 points from +20 to +4 in February and March 2001, and down 13 points from -14 to -27 in June and July 1990.

Interviews for this week's survey were completed Sunday, before the big drop in overseas markets. While the markets bear watching, big drops in share prices historically have not had a deep or sustained impact on consumer confidence, likely because Americans who own stocks tend by far to be buy-and-hold investors, not traders.

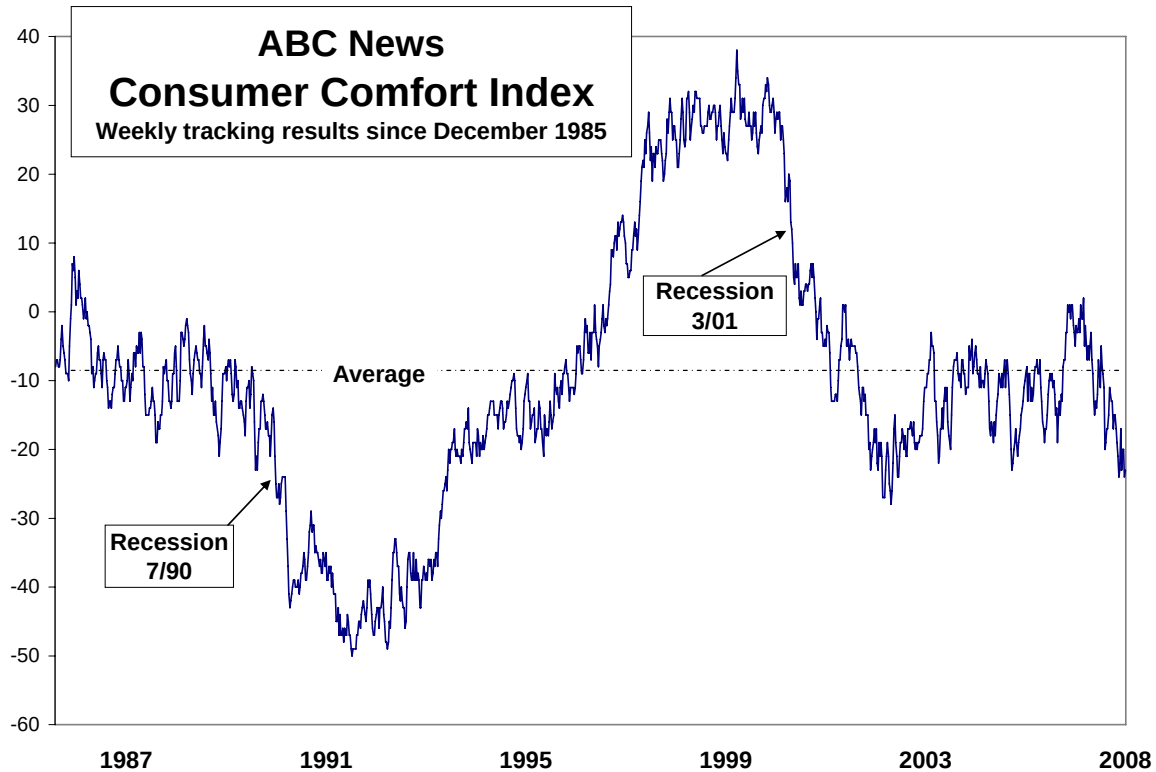


INDEX – The ABC News CCI is based on Americans' ratings of their current finances, the national economy and the buying climate. All three held essentially steady this week, with the latter two particularly low.

As noted, 29 percent rate the buying climate positively, down from 37 percent in September and a 2007 high of 43 percent last March, and 9 points below its average in weekly polls since December 1985. About as many, 30 percent, rate the economy positively, 10 points below its long-term average.

By contrast, ratings of personal finances, usually the strongest of the three components, remain steady at 56 percent, roughly matching their long-term average.

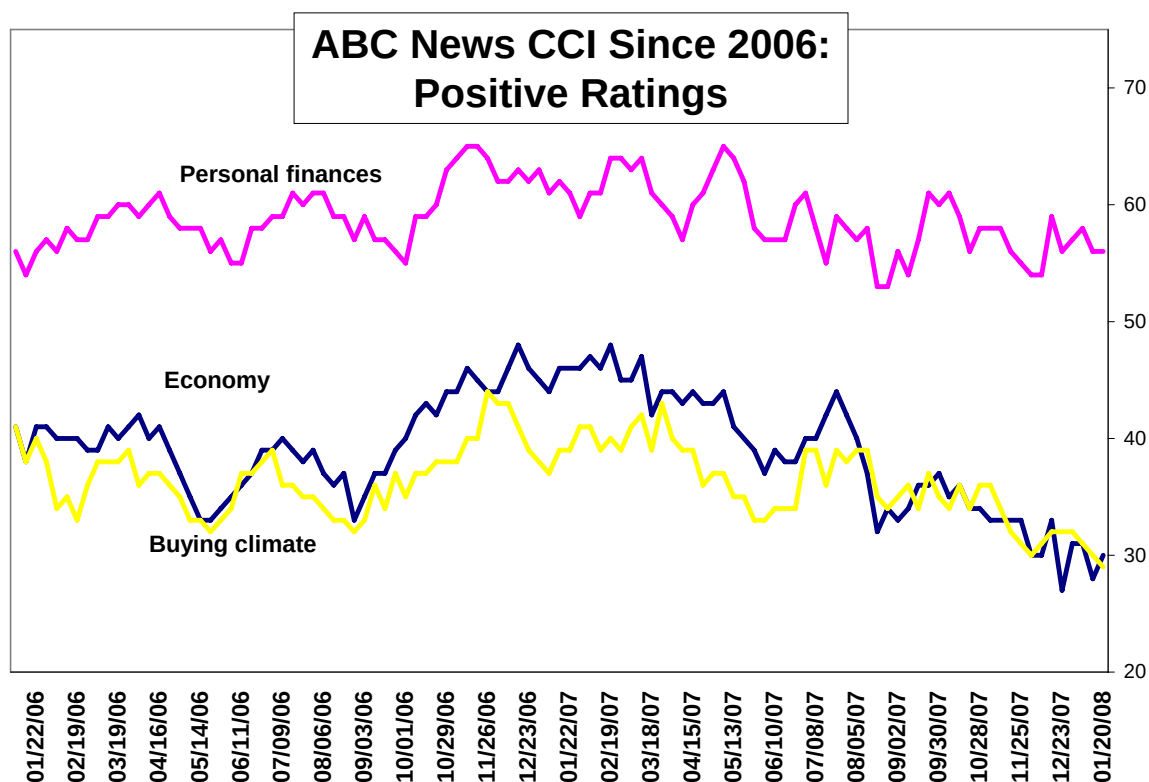
ABC News CCI				
			Averages	
Positive ratings of:	This week	Last week	2007	'85-'08
National economy	30%	28	39	40
Buying climate	29	30	36	38
Personal finances	56	56	59	57
Consumer Comfort Index	-23	-24	-11	-9



TREND – The CCI trended down all last year, averaging -2 in the first quarter, -9 in the second, -12 in the third and -18 in the fourth, en route to today's -23. It hasn't seen positive territory since reaching its 2007 high of +2 last March, and it's well below both its 2007 average, -11 and its 22-year average of -9.

The index held positive numbers from May 1997 to August 2001, peaking at +38 in January 2000. Its low point was -50 in February 1992.

ABC News CCI		
This week	-23	
Last week	-24	
2007 high	+2	March 11
2007 low	-24	December 2
2007 average	-11	
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 +11 among higher-income people while -54 among those with the lowest incomes, -14 among those who've been to college while -41 among high-school dropouts, -23 among whites but -33 among blacks and -11 among men while -34 among women.

Partisan differences remain: The index is +11 among Republicans, but -33 among independents and -39 among Democrats.

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

NATIONAL ECONOMY – Thirty percent of Americans rate the economy as excellent or good; it was 28 percent last week. The highest was 80 percent on Jan. 16, 2000. The lowest was 7 percent in late 1991 and early 1992.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	30	4	26	70	40	30
Avg. since 12/85	40	4	37	60	40	20

PERSONAL FINANCES – Fifty-six percent say their own finances are excellent or good; it was 56 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	56	8	48	44	26	18
Avg. since 12/85	57	5	52	43	30	13

BUYING CLIMATE – Twenty-nine percent say it’s an excellent or good time to buy things; it was 30 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	29	3	26	71	45	26
Avg. since 12/85	38	3	36	62	41	21

METHODOLOGY – Interviews for the ABC News 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 Jan. 20, 2008. 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 Patrick Moynihan.

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

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

01/20/08	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	-24	-23	-17	-3	2	-24	-11
State of Economy	-40	-44	-46	-32	-8	-4	-46	-24
Personal Finances	12	12	12	12	22	30	6	17
Buying Climate	-42	-40	-36	-32	-22	-14	-42	-28
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OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	-11	-12	-18	-7	2	12	-18	-4
Women	-34	-34	-27	-26	-6	-3	-34	-18
Age:								
18 - 34	-12	-11	-14	-17	-1	6	-32	-8
35 - 44	-26	-29	-28	-19	11	11	-31	-11
45 - 54	-21	-27	-24	-20	-12	2	-28	-14
55 - 64	-36	-32	-23	-9	-4	22	-36	-11

65+	-35	-34	-31	-22	-10	8	-37	-15
Income:								
Under \$15K	-54	-61	-54	-59	-43	-21	-70	-50
\$15K To \$24.9K	-46	-47	-45	-40	-36	-16	-58	-39
\$25K To \$39.9K	-32	-40	-43	-28	-26	-14	-46	-27
\$40K To \$49.9K	-39	-21	1	-18	-5	11	-47	-15
Over \$50K	-4	-7	-9	8	32	32	-9	14
\$50K To \$74.9K	-17	-22	-13	-17	25	29	-22	0
\$75K To \$99.9K	-1	-16	-18	3	36	36	-19	10
Over \$100K	11	15	1	41	41	49	1	31
Region:								
Northeast	-27	-31	-21	-32	-7	11	-35	-17
Midwest	-27	-27	-24	-22	-4	2	-29	-16
South	-31	-27	-23	-16	-2	16	-31	-10
West	-3	-8	-21	-1	2	10	-21	-3
Race:								
White	-23	-21	-21	-13	-1	7	-23	-8
Black	-33	-39	-38	-40	-25	-11	-54	-35
Politics:								
Republican	11	11	8	18	36	44	4	24
Democrat	-39	-35	-44	-32	-28	-13	-47	-29
Independent	-33	-40	-26	-17	-5	1	-40	-18
Education:								
< High School	-41	-57	-52	-52	-32	-13	-57	-37
High Sch. Grad.	-28	-22	-27	-30	-16	0	-33	-20
College +	-14	-13	-10	2	16	17	-14	3
Home:								
Own	-20	-21	-18	-9	5	10	-21	-5
Rent	-32	-31	-38	-39	-22	-12	-44	-29
Marital Status:								
Single	-20	-21	-21	-24	-9	-6	-39	-15
Married	-13	-14	-13	-8	11	17	-14	-1
Sep/Wid/Div	-53	-54	-51	-32	-33	-20	-56	-34
Employ. Status:								
Full-Time	-18	-15	-17	-9	8	13	-18	-2
Part-Time	-8	-19	-25	-12	2	6	-39	-13
Not Employed	-35	-36	-30	-28	-18	-7	-43	-23

END