

ABC NEWS CONSUMER INDEX – 1/27/08

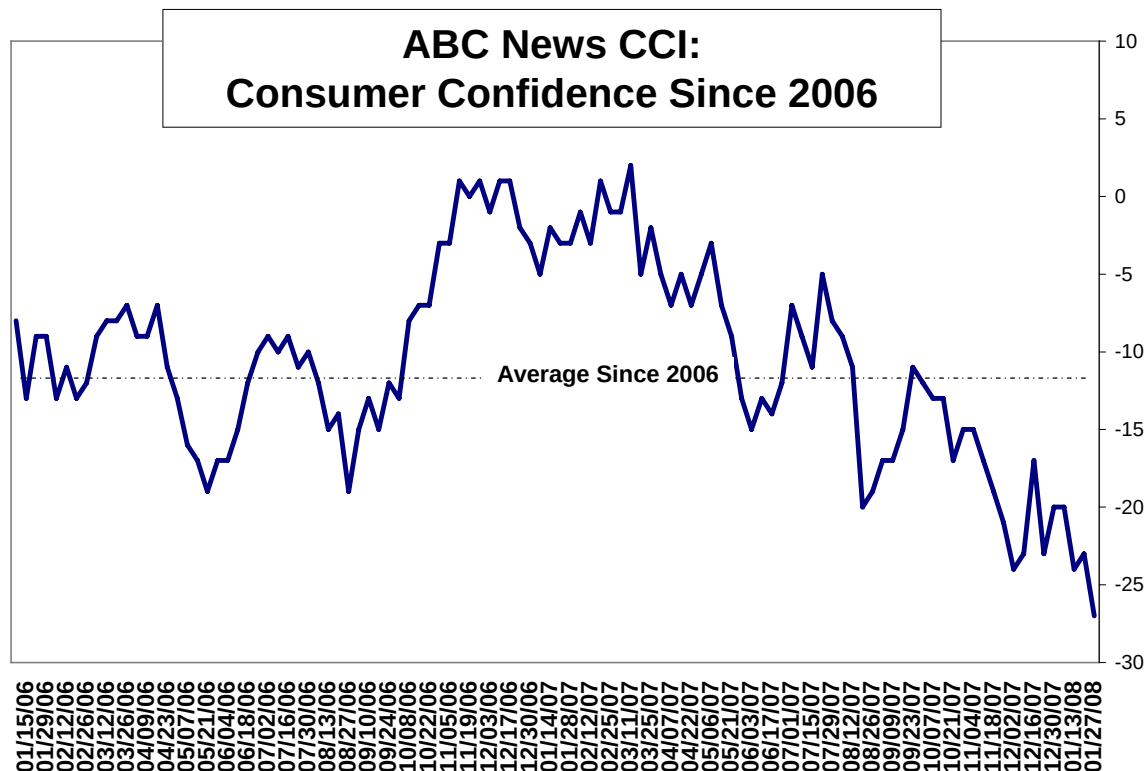
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Confidence Hits Four-Year Low as Buying Climate Ratings Lag

Consumer confidence slid to a four-year low this week, as positive ratings of the buying climate remain at their worst level in 14 years.

The ABC News Consumer Comfort Index stands at -27 on its scale of +100 to -100, down 4 points from last week, and 7 points below where it began the year. This is the second 4-point drop this month, continuing the CCI's now 6-month negative double digit streak, its longest since 2002-03.

Only 28 percent call it a good time to buy things, the fewest since August 1993. Faltering consumer confidence has not gone unnoticed by President Bush and Congress. In his final State of the Union speech last night he acknowledged that the economy is undergoing a period of uncertainty and offered a stimulus plan to reverse the economic slump. It remains to be seen whether such a plan, or the Fed's recent cut of three-quarters of a point in its benchmark federal funds rate, can undo the downward trend.



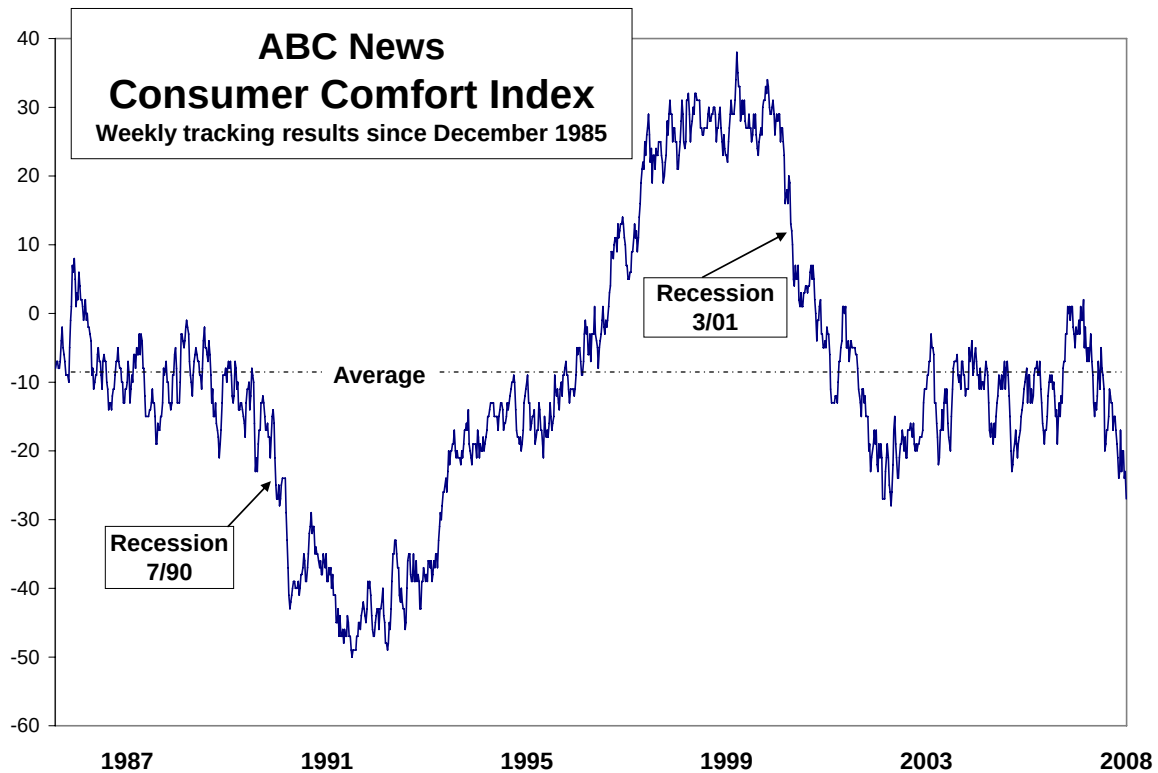
INDEX – The ABC News CCI is based on Americans' ratings of their current finances, the national economy and the buying climate.

As noted, 28 percent rate the buying climate positively, down from 37 percent in September and 15 points below the 2007 high of 43 percent reached in late March. It is 10 points below its average in weekly polls since December 1985.

Twenty-seven percent rate the economy positively, matching last year's low and 13 points below its long-term average. This rating is down 10 points since late September, and 21 points since reaching the 2007 high of 48 percent in mid-February.

Positive ratings of personal finances, still the strongest of the three measures, are at 54 percent – the lowest in seven weeks and a point off the 2007 low of 53 percent reached in late August.

ABC News CCI				
Positive ratings of:	This week	Last week	Averages	
			2007	'85-'08
National economy	27%	30	39	40
Buying climate	28	29	36	38
Personal finances	54	56	59	57
Consumer Comfort Index	-27	-23	-11	-9

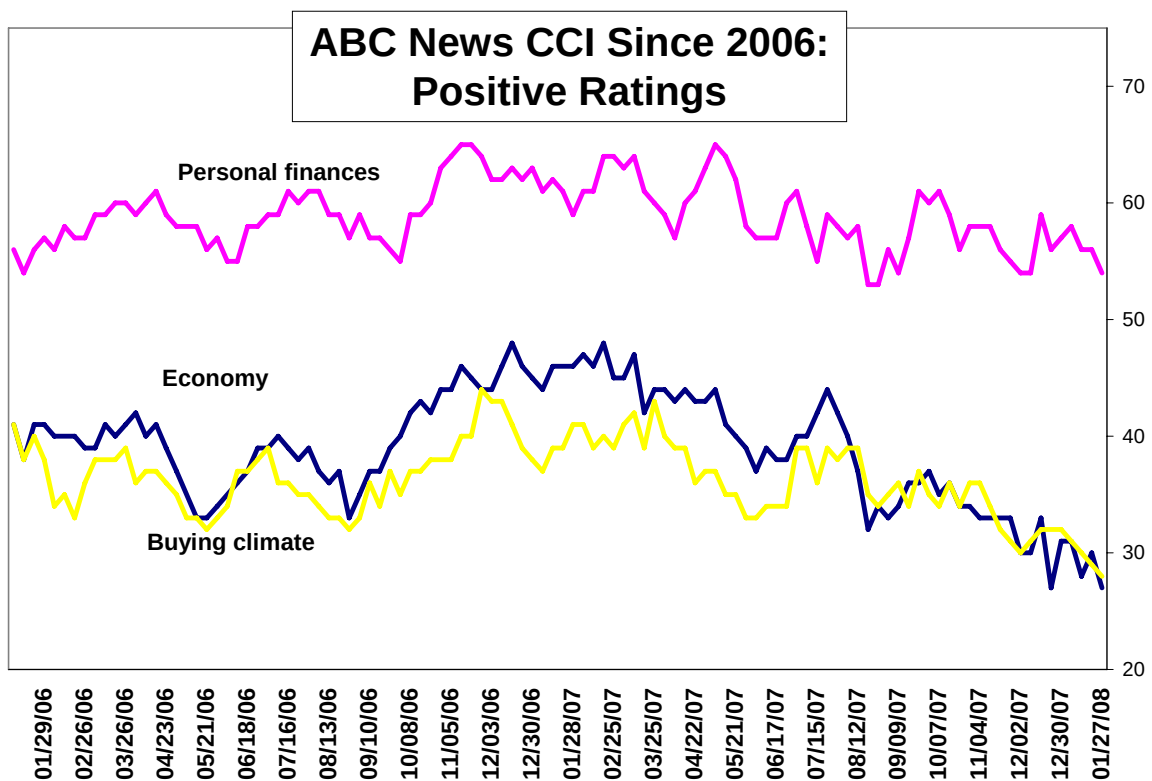


TREND – At -27, the CCI is at its lowest point since March 2003, surpassing last year's low and continuing the downward trend of 2007. The CCI averaged -2 in the first quarter of 2007, -9 in the second, -12 in the third and -18 in the fourth quarter.

Four weeks into 2008, the index's yearly average is -24, well below both its 2007 average, -11, and its 22-year average of -9. Still, 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.

While far below its record high, +38 in January 2000, the index also is much better than its record low, -50 in February 1992.

	ABC News CCI	
This week	-27	
Last week	-23	
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 +17 among higher-income people while -53 among those with the lowest incomes, -14 among those who've been to college while -45 among high-school dropouts, -25 among whites but -40 among blacks and -19 among men while -35 among women.

Partisan differences remain: The index is +5 among Republicans, but -38 among independents and -41 among Democrats.

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

NATIONAL ECONOMY – Twenty-seven percent of Americans rate the economy as excellent or good; it was 30 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	27	3	24	73	41	32
Avg. since 12/85	40	4	37	60	40	20

PERSONAL FINANCES – Fifty-four 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	54	7	47	46	28	18
Avg. since 12/85	57	5	52	43	30	13

BUYING CLIMATE – Twenty-eight percent say it's an excellent or good time to buy things; it was 29 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	28	2	26	72	44	28
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. 27, 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 and Madeleine Perez.

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

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

01/27/08	This Week	Last Week	4 Wks Ago	3 Mo. Ago	1 Yr. Ago	12 Mo High	12 Mo Low	12 Mo Avg
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Group								

GENERAL POPULATION:								
Overall Index	-27	-23	-20	-15	-3	2	-27	-12
State of Economy	-46	-40	-38	-32	-8	-4	-46	-24
Personal Finances	8	12	14	16	18	30	6	17
Buying Climate	-44	-42	-36	-28	-18	-14	-44	-29

OVERALL INDEX BY DEMOGRAPHIC GROUPS								
Sex:								
Men	-19	-11	-12	-8	2	12	-19	-4
Women	-35	-34	-27	-20	-6	-3	-35	-19
Age:								
18 - 34	-19	-12	-6	-8	0	6	-32	-8
35 - 44	-27	-26	-31	-14	9	9	-31	-12
45 - 54	-29	-21	-18	-27	-18	2	-29	-14
55 - 64	-36	-36	-27	-7	0	22	-36	-12
65+	-36	-35	-28	-21	-5	8	-37	-16
Income:								
Under \$15K	-53	-54	-56	-65	-46	-21	-70	-50
\$15K To \$24.9K	-46	-46	-44	-51	-32	-16	-58	-39
\$25K To \$39.9K	-49	-32	-32	-23	-21	-14	-49	-28
\$40K To \$49.9K	-35	-39	-3	-26	4	11	-47	-16
Over \$50K	-6	-4	-7	13	32	32	-9	13
\$50K To \$74.9K	-28	-17	-14	-9	29	29	-28	-1
\$75K To \$99.9K	-4	-1	-17	13	32	32	-19	9
Over \$100K	17	11	8	40	37	49	1	31
Region:								
Northeast	-38	-27	-17	-26	-1	11	-38	-18
Midwest	-30	-27	-20	-17	0	2	-30	-17
South	-30	-31	-27	-20	-3	16	-31	-10
West	-12	-3	-9	5	-5	10	-21	-3
Race:								
White	-25	-23	-19	-10	1	7	-25	-8
Black	-40	-33	-32	-43	-23	-11	-54	-36
Politics:								
Republican	5	11	12	18	34	44	4	23
Democrat	-41	-39	-40	-30	-26	-13	-47	-29
Independent	-38	-33	-28	-17	-1	1	-40	-19
Education:								
< High School	-45	-41	-48	-35	-42	-13	-57	-37
High Sch. Grad.	-38	-28	-23	-26	-10	0	-38	-20
College +	-14	-14	-8	-1	15	17	-14	2
Home:								
Own	-23	-20	-17	-5	7	10	-23	-5
Rent	-39	-32	-29	-35	-25	-12	-44	-29
Marital Status:								
Single	-25	-20	-14	-13	-13	-6	-39	-16

Married	-18	-13	-11	-6	11	17	-18	-1
Sep/Wid/Div	-53	-53	-48	-38	-27	-20	-56	-34
Employ. Status:								
Full-Time	-24	-18	-12	-10	12	13	-24	-3
Part-Time	-14	-8	-20	-9	0	6	-39	-13
Not Employed	-36	-35	-30	-23	-20	-7	-43	-23

END