

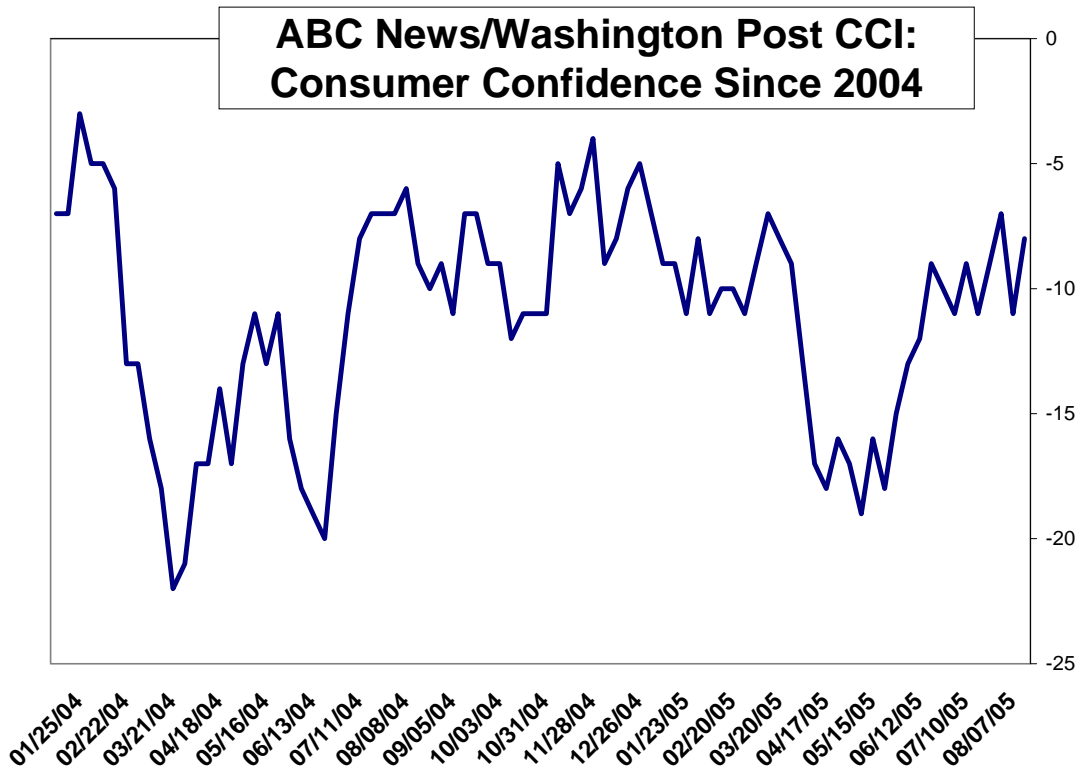
# Competing Economic Forces Keep Consumer Views Wobbly

Wobbling between competing economic forces, consumer confidence inched ahead this week, but remains in the narrow range it's occupied for the past two months.

Americans' ratings of the national economy and personal finances match their best of the year. But positive ratings of the buying climate – the gauge most sensitive to rising gasoline prices – are lagging, now five points below their 2005 high.

The ABC News/Washington Post Consumer Comfort Index, based on these measures, stands at -8 on its scale of +100 to -100, after dipping to -11 last week. It's hovered between -7 and -11 since June 12, up from -19, its 2005 low, May 1.

The index's recent track reflects the good news/bad news economy. On the positive side, employment grew by more than 200,000 jobs in July, unemployment was steady at a relatively low 5 percent and hourly wages grew by their fastest rate in a year. But gasoline prices are up as well, reaching a new nominal record of \$2.37 a gallon this week.

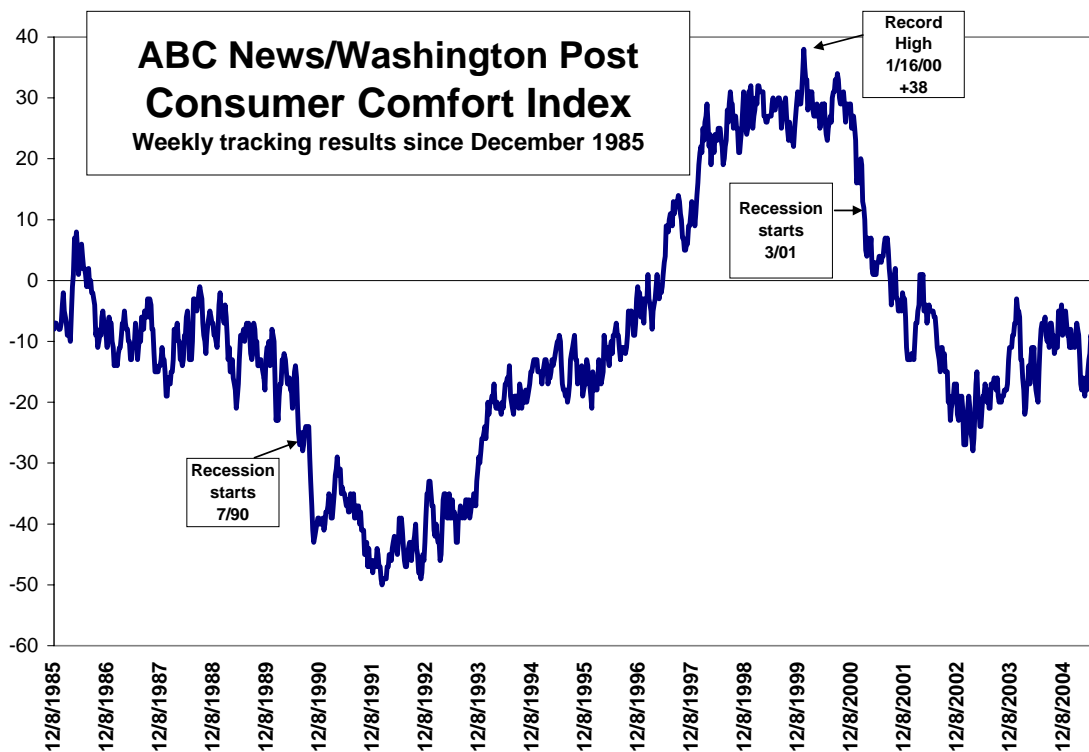


The Fed took note of these forces today as it raised interest rates for the 10<sup>th</sup> time since June 2004: "Aggregate spending, despite high energy prices, appears to have strengthened since late winter, and labor market conditions continue to improve gradually."

INDEX – This week 61 percent of Americans rate their finances positively and 42 percent say the economy's in good shape, each tying its 2005 high. But fewer, 35 percent, call it a good time to buy things; the '05 high was 40 percent in March.

ABC News/Washington Post CCI				
Positive ratings of:	This week	Last week	2005 avg.	19-yr. avg.
National economy	42%	41	38	40
Buying climate	35	33	36	39
Personal finances	61	59	58	57
Consumer Comfort Index	-8	-11	-12	-9

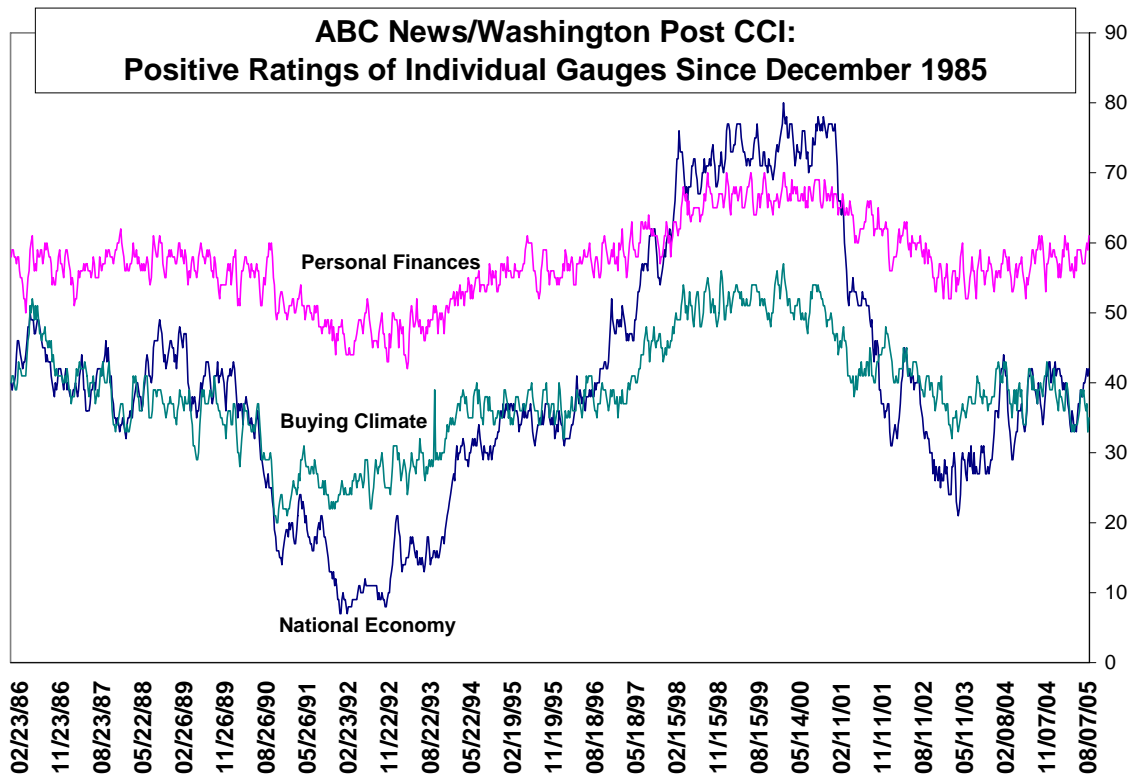
TREND – At -8, the index is just one point shy of its best of the year, reached March 6 and again two weeks ago. It's averaged -9 in weekly surveys since December 1985, ranging from a high of +38 in January 2000 to a low of -50 in February 1992.



ABC/Post CCI	
Today	-8
Last week	-11
2005 low	-19      May 1
2005 high	-7      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 – Confidence as usual is stronger in better-off groups. The index is +38 among higher-income Americans while -49 among those with the lowest incomes, +7 among college graduates while -29 among those who haven't finished high school, -4 among whites but -31 among blacks and +2 among men while -18 among women.



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

**NATIONAL ECONOMY** – Forty-two percent of Americans rate the economy as excellent or good; it was 41 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	42	4	38	58	37	21
Avg. since 12/85	40	3	37	60	40	20

**PERSONAL FINANCES** – Sixty-one percent say their own finances are excellent or good; it was 59 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	61	7	54	39	29	10
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 33 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	35	3	32	65	45	20
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 August 7, 2005. 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.

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 Katie Elder.

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

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

08/07/05

	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	-8	-11	-11	-16	-9	-4	-19	-10
State of Economy	-16	-18	-20	-32	-22	-14	-34	-22
Personal Finances	22	18	14	16	16	22	6	16
Buying Climate	-30	-34	-26	-32	-22	-14	-34	-25

## OVERALL INDEX BY DEMOGRAPHIC GROUPS

## Sex:

Men	2	2	3	-7	0	9	-16	-2
Women	-18	-22	-25	-24	-18	-10	-25	-18

## Age:

18 - 34	-3	-6	-23	-12	-5	3	-23	-8
35 - 44	-6	-12	-5	-4	-3	6	-27	-10
45 - 54	-14	-16	-5	-25	-13	10	-34	-11
55 - 64	-4	-7	-15	-19	-19	-2	-25	-13
65+	-15	-14	-1	-28	-17	-1	-32	-14

## Income:

Under \$15K	-49	-45	-56	-67	-58	-35	-75	-52
\$15K To \$24.9K	-46	-51	-48	-49	-38	-13	-52	-39
\$25K To \$39.9K	-16	-14	-23	-37	-19	-2	-37	-20
\$40K To \$49.9K	-5	-12	-4	-24	4	17	-37	-12
Over \$50K	18	16	23	19	23	35	10	20
\$50K To \$74.9K	4	-1	10	10	9	28	-9	6
\$75K To \$99.9K	25	21	23	14	31	37	4	23
Over \$100K	38	40	38	38	34	51	19	37

## Region:

Northeast	-16	-16	-11	-19	-19	2	-28	-13
Midwest	-18	-19	-6	-17	-1	-1	-26	-12
South	0	-3	-12	-14	-12	4	-18	-8
West	-3	-10	-16	-14	-6	5	-21	-8

## Race:

White	-4	-7	-6	-13	-2	2	-15	-6
Black	-31	-25	-55	-47	-53	-20	-56	-40

## Politics:

Republican	26	24	31	21	33	47	10	31
Democrat	-39	-40	-36	-36	-41	-27	-45	-36
Independent	-12	-13	-20	-23	-7	-7	-30	-17

## Education:

< High School	-29	-32	-47	-42	-55	-21	-55	-39
High Sch. Grad.	-22	-25	-21	-21	-16	-2	-32	-18
College +	7	6	7	-4	8	10	-6	4

## Home:

Own	-2	-5	-1	-6	0	7	-9	-1
Rent	-23	-24	-38	-39	-33	-21	-44	-32

## Marital Status:

Single	-14	-17	-29	-24	-12	-11	-31	-19
Married	4	2	5	2	2	15	-5	3
Sep/Wid/Div	-33	-35	-28	-46	-41	-22	-49	-32

## Employ. Status:

Full-Time	-3	-2	3	-4	0	12	-7	1
Part-Time	-1	-12	-27	-27	-13	-1	-35	-15
Not Employed	-17	-20	-24	-29	-22	-15	-31	-22