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Interview dates: July 5-7, 2004
Interviews: 1,000 adults, 804 registered voters
Margin of error: ± 3.1 for all adults, ± 3.5 for registered voters

**THE ASSOCIATED PRESS POLL
CONDUCTED BY IPSOS-PUBLIC AFFAIRS**

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AP/Ipsos CASH Index (Consumer Attitudes and Spending By Household)

***CASH Index Rises for Third Consecutive Month in July 2004,
Positive Trends in Consumer Expectations, and Political Impact***

The Associated Press Poll is conducted by Ipsos-Public Affairs. Between July 5-7, 2004, the AP/Ipsos poll interviewed a representative sample of 1,000 adults nationwide, including 804 registered voters. The margin of error is ± 3.1 for all adults, ± 3.5 for registered voters. Margin of error for subgroups may be higher.

(WASHINGTON, DC, July 15, 2004) —The Associated Press/Ipsos-Public Affairs CASH Index measuring consumer attitudes rose in July to 92, up from 91.3 in June, marking the third consecutive month of increases. The CASH Index is based on ten questions measuring consumer attitudes, asked monthly since January 2002, when the Index was originally established with an index score of 100.

The CASH Index has been generally trending upward since October 2003, when it stood at 74.4, and while it has been higher in some recent months (106.3 in January 2004, 100.7 in December 2003), its general trajectory since October 2003 has been positive.

One year ago, the index stood at 80.5.

Rising Expectations

The biggest increase in the current month was in the subindex measures responses on questions related to expectations about the local economy, personal finances and the job market six months from now. The Expectations Index stands at 96.3, up from 94.1 in June, led by positive responses on job market expectations in particular. Most Americans (53%) say it is not likely that anyone in their family or close circle of acquaintances will lose a job due to economic conditions in the next six month.

The Job Index is high at 104.4, identical to the June Jobs Index.

The Savings and Investment Index is down by a statistically amount at 92.2, from 94.7 in June.

The Current Conditions Index is down slightly at 94.8, from 95.6 in June.

The Political Component of Consumer Attitudes

Do generally positive and improving consumer attitudes affect the political landscape? Currently, 49% approve of the job President Bush is doing handling the economy, compared to 50% who approve his handling of his job overall, and 51% who approve his handling of foreign policy and the war on terrorism.

That represents a very different picture from the last quarter of 2003, the last time as many as 49% approved Bush's handling of the economy. At that time, 53% approved his handling of his job overall and 55% approved his handling of foreign policy and the war on terrorism.

That means President Bush is more dependent on his performance on the economy and less able to count on support for his foreign policies to carry him to reelection. In the politics of the 2004 Presidential campaign, consumer attitudes are increasingly important.

Currently, 20% rate the economy in their area as strong (6 or 7 on a 1-to-7 scale), 26% rate it weak (1-3), with 53% in the middle (4-5).

Bush voters feel better about their local economy (34% strong, 12% weak) than Kerry voters (10% strong, 40% weak). Among those in Bush's base of strong supporters, suburban men are more likely to rate the current economy strong (29%) rather than weak (17%).

Rural voters are a group claiming more attention from pollsters due to the increasing alienation from Bush of rural voters. The choice of Sen. John Edwards for the nomination for Vice President gives Democratic nominee John Kerry hope for reaching rural voters. So does their dissatisfaction with the economy in their area: Only 12% rate the economy strong, 40% rate the economy in their area as weak. Perhaps rural voters will be up for grabs more than in most years.

Regionally, the Deep South feels best about its economy (24% strong, 26% weak), followed by the Pacific coast (23% strong, 24% weak) and the Great Plains/Mountain West (22% strong, 21% weak).

In the battleground Great Lakes states, 15% rate the economy strong, 33% weak. Overall, among those in the 20 states generally identified as the battleground states nationally, 22% rate the economy strong, 26% weak.

Few voters are undecided or voting for someone else, but among that small, incredibly influential group of voters, most (51%) rate the economy as weak.

How perceptions of the local economy shift, especially among those in swing states and among currently undecided voters, may go a long way toward determining who will be the next President.