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Statement from Bart Van Ark, Chief Economist, The Conference Board

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Q2 GDP Offers No Hope for Quick Recovery

Today's advance Q2 GDP growth estimate of minus (-) 1 percent relative to the first quarter confirms that the path to recovery remains a long haul, with more disappointments likely in the months to come. The contraction – though less severe than most forecasts – offers no sign of a V-shaped recovery. Consumer spending came out worse than expected and is likely to remain weak into the third quarter because of ongoing clogging in income and credit channels. The very rapid decline in inventories raises hopes for a recovery in industrial production, but also increases chances of a pushback later in the year as domestic and global markets remain weak. With capital spending still falling and unemployment rising, neither investors nor workers are likely to see strong rewards anytime soon.

Bart van Ark is available for interviews today. Please contact Frank Tortorici at (212) 339-0231 or email f.tortorici@conference-board.org.