THE CONFERENCE BOARD



The Conference Board Economic Forecast for the U.S. Economy March 13, 2012

Cautiously Optimistic – the economy is poised to accelerate

The economic indicators, including The Conference Board's Leading Economic Index[®], Consumer Confidence Index[®], Employment Trend Index[™], the Help-Wanted-Online Data Series[®] – signal the U.S. economy is getting fundamentally stronger. Consequently, we have revised up our second half of the year growth expectations, though growth should remain moderate by historic standards at less than 3%. Improvement in employment gains are key since they buoy stronger wage and salary increases, which in turn powers consumer spending. The pick-up in hiring by corporations also suggests that corporations might soon loosen up a bit on their tight reins on capital expenditure spending and deploy some of the large cash reserves they have built up over the years. The drag from the state and local government sectors is easing up as the most intense austerity measures look to be behind us. However, the U.S. economy still faces headwinds from higher gasoline and oil prices, ongoing consumer caution, the winding down of U.S. fiscal stimulus, slower emerging market growth, and still risk from Europe, albeit somewhat diminished.

THE CONFERENCE BOARD'S ECONOMIC OUTLOOK, 2011-2013 Percentage Change, Seasonally Adjusted Annual Rates (except where noted)									
	2011 IV Q*	IQ	2012 II Q	∥ Q	IV Q	IQ	2011 ANNUAL	2012 ANNUAL	2013 ANNUAL
Real GDP	3.0	1.6	1.8	2.5	2.6	2.6	1.7	2.1	2.4
Real Consumer Spending	2.1	1.9	2.5	2.7	2.8	3.0	2.2	2.1	2.5
Housing Starts Mil. Units	0.66	0.69	0.71	0.72	0.74	0.73	0.61	0.71	0.76
Real Capital Spending	2.8	3.7	4.7	5.5	6.2	3.4	8.7	5.9	5.7
Net Exports Bil. '00\$ * actual value	-404.4	-398.7	-400.0	-392.1	-381.1	-369.6	-412.0	-393.0	-374.1

The U.S. Economic Forecast