



**The Conference Board Economic Forecast for the U.S. Economy  
November 14, 2012**

**Slow Growth through Mid-2013**

The U.S. economy has been growing relatively slowly, braced for both domestic and global headwinds. The single biggest obstacle to generating a better performance is the relatively weak level of demand. Consumer confidence has picked up a bit but remains well below the level normally associated with an economy several years after the end of a recession. The single biggest problem with generating more confidence and more demand is the low level of job growth and even softer pace of income growth. All this was true even before super Storm Sandy interrupted consumer and business activity in late October.

Business thus faced with protracted weak demand has even weaker sentiment and has been slow to invest in capital and human capital. Uncertainty over tax rules and the fate of the fiscal cliff, along with continued austerity at the state and local level, further slow the overall pace of demand. Finally, slow growth abroad limits trade prospects. These conditions are likely to keep economic growth below 1.5 percent (annualized) through mid-2013. By then however, improvement in the housing market could be strong enough to finally deliver more than 2 percent growth through the second half of next year and continue to propel the economy along this glide path into 2014.

**The U.S. Economic Forecast**

THE CONFERENCE BOARD'S ECONOMIC OUTLOOK, 2011-2013  
Percentage Change, Seasonally Adjusted Annual Rates  
(except where noted)

	2012		2013				2012	2013	2014
	III Q*	IV Q	I Q	II Q	III Q	IV Q	ANNUAL	ANNUAL	ANNUAL
Real GDP	2.0	1.7	1.4	1.6	2.4	2.7	2.1	1.8	2.4
Real Consumer Spending	2.0	2.6	0.8	1.0	2.4	2.4	2.0	1.7	2.3
Housing Starts Mil. Units	0.79	0.87	0.95	1.02	1.09	1.12	0.78	1.04	1.25
Real Capital Spending	-1.3	-1.6	2.4	4.1	5.7	8.2	7.1	2.3	6.6
Net Exports Bil. '00\$	-413.7	-406.3	-398.5	-391.0	-390.2	-396.8	-410.7	-394.1	-410.8

\* actual value