



**The Conference Board Economic Forecast for the U.S. Economy
May 14, 2014**

Economy set to take off

The US economy is poised for strong growth through the rest of 2014. To be sure, it will start off with some catch up from severe and widespread inclement weather. First quarter GDP growth reading of only 0.1% was sharply below expectations, and revised estimates may even show a contraction. But the economy is poised to bounce back to at least 3.3% growth in the second quarter. Sustained increases in consumer confidence and employment gains will boost incomes and allow for gains in spending and ongoing release of pent-up demand for the rest of 2014. And as final demand kicks into a higher gear, the business response will be more investment in equipment. The latter is our crucial assumption in this month's positive outlook. A lower rate of investment growth could impact the outlook on the downside. Altogether, this outlook will quicken the pace of the business cycle expansion and a steady recovery in the U.S. housing market supported by easing credit conditions for homebuyers. The underlying economic conditions point to a U.S. economy which is set to see growth above its potential for the next few years.

The U.S. Economic Forecast

THE CONFERENCE BOARD'S ECONOMIC OUTLOOK, 2013-2015
Percentage Change, Seasonally Adjusted Annual Rates
(except where noted)

	2013		2014				2015		
	I Q	II Q	III Q	IV Q	I Q	ANNUAL	ANNUAL	ANNUAL	
Real GDP		0.1	3.3	2.8	3.0	2.7	1.9	2.3	2.8
Real Consumer Spending		3.0	3.7	2.6	2.5	2.5	2.0	2.9	2.6
Housing Starts Mil. Units		0.92	1.08	1.14	1.20	1.28	0.93	1.09	1.36
Real Capital Spending		-2.0	7.9	7.3	6.3	5.1	2.7	4.2	5.8
Net Exports		-414.4	-415.1	-418.9	-418.0	-419.8	-412.3	-416.6	-421.1
* actual value									