



**The Conference Board Economic Forecast for the U.S. Economy
June 11, 2014**

The economy is accelerating, but everyone needs to buy into it

The U.S. economy is expected to rebound strongly in the second quarter at 3.3 percent. This follows a downward revision to the reading for real GDP growth in the first quarter showing a contraction of 1 percent, largely due to slower stockpiling of business inventories and severe winter weather. The economy will then sustain a slightly above trend growth rate for the remainder of the year. Job growth of roughly 200,000 per month has allowed the ranks of the unemployed to decline by almost 2 million over the past year and will bring the unemployment rate down to 6 percent by the end of the year. Improving labor markets are supporting consumer spending which will post solid gains of up to 3 percent for the coming quarters. Although neither businesses nor the government nor the global economy have followed this strengthening trend so far, as domestic demand continues to post solid gains businesses will be prompted to implement some long-delayed investment plans, with non-residential investment accelerating to between 6 and 8 percent. Also, business inventories might even add a little to the GDP as the inventory overhang has mostly diminished. Finally, with low inflation, interest rates remain low. And the low cost of capital could be another boost to investment.

The U.S. Economic Forecast

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

	2014				2015	2013	2014	2015
	I Q*	II Q	III Q	IV Q	I Q	ANNUAL	ANNUAL	ANNUAL
Real GDP	-1.0	3.3	3.0	3.2	3.1	1.9	2.1	3.0
Real Consumer Spending	3.1	3.2	2.8	2.9	2.8	2.0	2.9	2.8
Housing Starts Mil. Units	0.92	1.11	1.17	1.24	1.31	0.93	1.11	1.40
Real Capital Spending	-1.6	7.9	7.3	6.0	5.1	2.7	4.3	5.8
Net Exports	-418.9	-433.5	-437.5	-436.7	-437.5	-412.3	-431.6	-438.9

* actual value