



**The Conference Board Economic Forecast for the U.S. Economy**  
**August 13, 2014**

**Economy at a turning point**

The US economy appears poised to grow faster than trend over the next few quarters. Sustained job growth is bolstering confidence allowing consumers to release some long-delayed pent up demand. Business investment consequently will also pick up some speed. Meanwhile, more demand helps improve private financial conditions which might even begin to push up wage growth. Housing is expected to strengthen in this environment. On the fiscal side, improved revenue streams help at the state and local level. Finally, energy prices are coming down, food prices are not rising sharply, and core prices (which excludes food and energy) remain relatively slow and stable. The result of all these forces could be as much as 3 percent growth over the second half of 2014 and continuing into the early months of 2015. Better global economic conditions could push growth prospects even higher. Conversely, geopolitical risks and lack of pick up in wage growth along with lack of acceleration in the housing market beyond the second quarter's bounce back might dampen growth prospects. Also, past quarter's inventory build is already weighing down on growth. But right now, positive forces still outweigh negative forces.

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

	II Q	2014 III Q	IV Q	2015 I Q	II Q	2013 ANNUAL	2014 ANNUAL	2015 ANNUAL
Real GDP	4.0	2.6	3.0	3.0	2.9	2.2	2.0	3.0
Real Consumer Spending	2.5	2.8	2.9	2.8	2.7	2.4	2.4	2.8
Housing Starts Mil. Units	0.98	1.04	1.09	1.16	1.22	0.93	1.01	1.25
Real Capital Spending	5.5	7.0	6.1	5.1	5.2	3.0	5.4	5.6
Net Exports	-470.3	-461.5	-461.9	-460.4	-461.4	-420.5	-460.2	-457.7
* actual value								