



**The Conference Board Economic Forecast for the U.S. Economy
December 10, 2014**

The U.S. economy could gain more strength over this winter

The U.S. growth momentum may pause in the fourth quarter, due to some special circumstances. The outlook for early 2015 shows some upside beyond the 2.5 percent pace. And this is despite continued slow economic growth around the world and a rise in the value of the dollar. The biggest disappointment right now is business spending on equipment which is slowing from an average pace of 11 percent over the past two quarters. But if final demand picks up as expected, business investment might also gain some momentum. One key driver of demand is continued improvement in the labor market. Job growth has been solid for the past year and the signal from the latest reading on **The Conference Board Employment Trends Index™** (ETI) is that it will continue at least over the very near term. In fact, continued employment gains are likely to lead to better gains in wages in the first half of 2015. Job and income growth may provide some moderately positive momentum for the housing market. Low gasoline prices will also further support household spending. Finally, very low interest rates, at both the short and long end of the yield spectrum help consumers and businesses. The strengthening of domestic growth is intensifying pressures to increase the base interest rate, but speed and trajectory remain important questions.

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
	III Q	IV Q	I Q	II Q	III Q	ANNUAL	ANNUAL	ANNUAL
Real GDP	3.9	2.0	2.5	2.5	2.4	2.2	2.2	2.6
Real Consumer Spending	2.2	2.7	2.5	2.6	2.5	2.4	2.3	2.5
Housing Starts Mil. Units	1.03	1.09	1.13	1.18	1.22	0.93	1.01	1.20
Real Capital Spending	7.1	3.8	5.7	5.0	4.7	3.0	6.0	5.4
Net Exports	-431.0	-440.7	-447.5	-450.1	-454.1	-420.5	-444.8	-453.1
* actual value								