



**The Conference Board Economic Forecast for the U.S. Economy
March 12, 2015**

While U.S. economy seems slowing towards medium-term trend, consumers remain the bright spot to move beyond

Consumers remain the bright spot in US economy as jobs, wages, and sentiment are expected to send consumers on a shopping spree. Surprisingly good jobs report will continue to bolster confidence and incomes. Low gasoline prices help, of course, but so does the higher value of the dollar (because it makes imports cheaper). However, economic cross currents are unlikely to lift trend growth beyond 2.5 percent. Productivity growth, the crucial source of sustainable economic growth continues to be depressed as companies are adding workers in a less impressive growth environment. Businesses therefore face a lot of challenges, trying to ramp up by adding workers at the expense of productivity and soon if not already facing pressures to step up wages without much of pricing power. And the expectations are rising that Fed rate lift-off begins by September 2015, even though strengthening dollar provides offsets to growth and slows rate trajectory in 2016 – 2017.

The U.S. Economic Forecast

THE CONFERENCE BOARD'S ECONOMIC OUTLOOK, 2014-2016
Percentage Change, Seasonally Adjusted Annual Rates
(except where noted)

	2014 IV Q*	I Q	II Q	2015 III Q	IV Q	2014 ANNUAL	2015 ANNUAL	2016 ANNUAL
Real GDP	2.2	2.1	2.5	2.4	2.5	2.4	2.8	2.5
Real Consumer Spending	4.2	3.3	3.2	2.6	2.6	2.5	3.3	2.6
Housing Starts Mil. Units	1.06	1.09	1.13	1.18	1.22	1.00	1.16	1.32
Real Capital Spending	4.8	2.9	4.0	3.9	4.8	6.3	4.8	4.4
Net Exports	-476.4	-492.5	-507.0	-518.2	-527.3	-453.9	-511.3	-528.3
* actual value								