



**The Conference Board Economic Forecast for the U.S. Economy**  
**March 12, 2014**

**Springing Forward**

We view the current slowdown in economic activity as a temporary pause. The inclement winter weather is depressing economic activity, thus we expect a rebound when warmer temperatures arrive in the spring. Further, the slowing in inventory accumulation, following the strong surge in the second half of 2013, is also retraining headline GDP growth. Underlying economic fundamentals still remain healthy and point to stronger growth in the second half of the year. In particular we look for a spring thaw to underpin a rebound in housing activity and employment growth. And if final demand picks up, that would be the signal for businesses to “green light” some long-delayed capital improvements that follow on the heels of their investment in inventories late last year. ***The Conference Board Leading Economic Index®*** suggests that the economy will remain resilient in the first half of 2014 and underlying economic conditions should continue to improve despite the negative headwinds from the inclement weather and slowdown in inventory accumulation. Looking ahead, key fundamentals including a recovery in household formation should drive a continued and steady recovery in the U.S. housing market for the next several years.

**The U.S. Economic Forecast**

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

	2013 IV Q*	I Q	2014 II Q	III Q	IV Q	2013 ANNUAL	2014 ANNUAL	2015 ANNUAL
Real GDP	2.4	1.8	2.7	2.6	3.0	1.9	2.6	2.7
Real Consumer Spending	2.6	2.3	2.5	2.6	2.4	2.0	2.4	2.5
Housing Starts Mil. Units	1.02	0.91	1.08	1.14	1.20	0.93	1.08	1.36
Real Capital Spending	7.3	4.1	7.1	7.3	6.3	2.8	5.9	5.8
Net Exports	-382.8	-381.5	-381.4	-384.3	-382.4	-412.3	-382.4	-383.0
* actual value								