THE CONFERENCE BOARD
Trusted Insights for Business Worldwide

News Release

Follow The Conference Board
twitter facebook LinkedIn

Media Alert

Comment on Q1 GDP
Gad Levanon, Managing Director, Macroeconomic and Labor Market Research

The US Economy is Slowing Down

The U.S. Bureau of Economic Analysis today reported a very weak 0.2 percent annualized growth in real Gross Domestic Product for the first quarter of 2015, and excluding the large buildup of inventories, the economy actually shrank by 0.5 percent.

While the reported 0.2 percent partly reflects temporary factors, such as port closings and bad weather, and underestimates the current trend in the US economy, we do think that economic growth is weakening. The downward pressure on profits, the large drop in oil related investment and the strong dollar are holding back the U.S. economy. While the weak consumption of goods was partly a result of bad weather, it seems that most of the boost from oil prices already took place in the previous quarter. Despite extremely low interest rates, residential investment continues to grow unusually slowly, partly a result of very weak household formation. For the second quarter in a row, the strong dollar resulted in a negative contribution from net trade of more than 1 percent to real GDP.

For more information:
Carol Courter
The Conference Board
(212) 339-0232
courter@conference-board.org