



**The Conference Board Economic Forecast for the U.S. Economy
December 9, 2015**

Economic outlook for 2016: 2.4% GDP growth is as good as it gets

Modest economic growth continues in the final quarter of 2015, despite very strong headwinds. While consumption and housing are supportive of growth, oil-related cuts to investment, stronger dollar and weak external environment along with ongoing inventory correction are acting as a drag on growth. Still, 2015 looks to reach 2.5 percent growth which is slightly faster than the average of this expansion. Next year, consumption will benefit from stronger wage growth, but will likely not get further boost from declining oil prices. Despite a rise in short-term interest rates, housing spending will continue to provide a positive contribution as well consumption (though less so than this year). Government spending at the state and local level should also contribute somewhat positively to growth. Federal spending and business investment, on the other hand, will remain slow and volatile oil prices could drag the forecast down. Overall, expect an economic performance slightly above the long-term trend of 2 percent next year, with continued low retail inflation. The big question is how much of this might carry over into 2017. Still, for now, on growth, on jobs, on wages, on inflation, 2016 could be as good as it gets.

The U.S. Economic Forecast

THE CONFERENCE BOARD'S ECONOMIC OUTLOOK, 2015-2016
Percentage Change, Seasonally Adjusted Annual Rates
(except where noted)

	2015		2016				2014	2015	2016
	III Q*	IV Q	I Q	II Q	III Q	IV Q	ANNUAL	ANNUAL	ANNUAL
Real GDP	2.1	1.9	2.5	2.5	2.2	2.2	2.4	2.5	2.4
Real Consumer Spending	3.0	2.5	2.5	2.4	2.3	2.3	2.7	3.1	2.6
Housing Starts Mil. Units	1.15	1.11	1.23	1.27	1.30	1.32	1.00	1.10	1.28
Real Capital Spending	2.4	3.3	4.6	4.3	4.0	4.0	6.2	3.2	3.9
Net Exports	-544.1	-554.3	-561.2	-568.2	-579.5	-592.0	-442.5	-543.5	-575.2
* actual value									