

News Release

Follow The Conference Board

[twitter](#) [facebook](#) [Linked in](#)

Media Alert

Comment on Q2 GDP

Gad Levanon, Managing Director, Economic Outlook & Labor Markets, The Conference Board

Second quarter GDP disappoints, but second half of 2015 will be better

The U.S. Bureau of Economic Analysis today reported 2.3 percent annualized growth in real Gross Domestic Product for the second quarter of 2015. The release also included a large upward revision to the first quarter (from -0.2 to 0.6 percent), and small downward revisions to the 2012–2014 period.

While in line with our forecast, this report is somewhat disappointing, partly due to the drop in business investment in equipment. The change in inventories was very large again, which will weigh down on GDP growth in the second half of the 2015. On the other hand, headwinds from the strong dollar and the drop in oil-related investment will weaken in the second half of 2015, and we expect the ongoing improvement in the labor and housing markets to push the US economy to about 2.5% in the second half of 2015.

We should not expect more than that in a moderate cyclical expansion when potential GDP is growing at just 2% or even lower. This report is unlikely to change the outlook for a first Fed hike interest rates in September.

For more information:

Jonathan Liu

The Conference Board

(212) 339-0257

jonathan.liu@conference-board.org