



**The Conference Board Economic Forecast for the U.S. Economy  
November 10, 2009**

**Recovery likely to experience pushback in early 2010**

While the last two quarters of this rollercoaster year provide some relief as the recovery takes hold, 2009 will still be by far the worst year in terms of economic growth in the United States since World War II. The Conference Board's economic forecast for the United States suggests a year-long decline of -2.4% in GDP in 2009. Next year will look better, at 2 per cent GDP growth, but not so much better that we can be comfortable about the sustainability of the recovery. The first quarter of 2010 is likely to show much less growth – only 1.1 per cent on an annual basis – than the third and fourth quarter as the effects of depleting inventories are waning. Consumer expenditure is likely to continue to show weakness as income growth remains slow or even negative. Moreover the unemployment rate will stay high at 10.5% for several quarters, and not begin to decline before the end of 2010. Following the immediate recovery effects from the recession, investment and exports growth slows by early 2010, as the world economy is becoming more dependent on the dynamics of emerging markets than advanced economies. During the second half of 2010 we may see some further recovery, in part helped by stimulus effects lifting state and local expenditure.

**The U.S. Economic Forecast**

	2009		2010				2008	2009	2010
	III Q*	IV Q	I Q	II Q	III Q	IV Q	ANNUAL	ANNUAL	ANNUAL
Real GDP	3.5	3.2	1.0	1.8	2.1	2.6	0.4	-2.4	2.0
Real Consumer Spending	3.4	-0.2	-0.2	0.7	0.8	1.1	-0.2	-0.6	0.6
Housing Starts Mil. Units	0.59	0.68	0.73	0.77	0.83	0.91	0.90	0.58	0.81
Real Capital Spending	-2.5	3.5	1.4	5.3	6.5	7.7	1.6	-17.5	2.3
Net Exports Bil. '00\$	-348.3	-378.7	-392.5	-394.5	-391.7	-381.4	-494.3	-361.0	-390.0
* actual value									

Source: The Conference Board