

The Conference Board Economic Forecast for the U.S. Economy February 12, 2020

The US economy entered 2020 on sure footing, but shift from consumption to investment is key to sustain growth

The US economy performed better than expected in Q4 2019 and January's jobs report was stronger than most forecasters anticipated. However, *The Conference Board Leading Economic Index*[®] for the US declined slightly in December and its six-month growth rate remains slightly negative. While this is no cause for major concern yet, The Conference Board forecasts that US economic growth will slow to 2.0 percent in 2020 from 2.3 percent in 2019. The composition of growth is changing though: US consumer strength is moderating slightly, while business spending is expected to improve. We also expect strength in residential investment to buoy economic growth. But as old risks, like an escalation of the US-China trade dispute, appear to be ebbing new risks are taking their place. The Coronavirus outbreak could be a threat to for the world economy in the first half of the year, but the impact on the American economy is likely to be insignificant.

The U.S. Economic Forecast

THE CONFERENCE BOARD ECONOMIC OUTLOOK, 2018-2019-2020

Percentage Change, Seasonally Adjusted Annual Rates

	2019			2020			2018	2019	2020
	first half*	III Q*	IV Q	I Q	II Q	second half	ANNUAL	ANNUAL	ANNUAL
Real GDP	2.6	2.1	2.1	2.0	1.9	1.9	2.9	2.3	2.0
Real Consumer Spending	2.8	3.1	1.8	1.7	1.8	1.8	3.0	2.6	2.1
Residential Investment	-2.0	4.6	5.8	5.8	5.9	6.0	-1.5	-1.5	5.2
Real Capital Spending	1.7	-2.3	-1.5	0.6	2.4	3.8	6.4	2.1	0.6
Exports	-0.7	0.9	1.4	0.5	0.5	0.5	3.0	0.0	0.3

* Actual data