

**CHICAGO BUSINESS ACTIVITY INDEX**

**CBAI increased in June**

The Chicago Business Activity Index (CBAI) was 98.6 in June, up from 97.9 in May. The rise is attributed mainly to the increase in employment of manufacturing, non-manufacturing and construction, and to the improvement of retail activity in the Chicago region.

In June, the national and regional economy presented several positive features. The Federal Reserve Board announced that total industrial (manufacturing) production increased 0.4% (0.7%) in June after having declined 0.2% (0.7%) in May. Capacity utilization in total industry (manufacturing) increased to 78.9% (77.7%) from 78.7% (77.3%) in the past month. The nation's unemployment rate was little changed at 8.2% in June. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) increased to -0.15 in June from -0.48 in May mainly due to a positive contribution of the production and income category. In the Chicago region, manufacturing output, measured by the Chicago Fed Midwest Manufacturing Index (CFMMI), increased 1.1% and was mainly attributed by a rise in machinery and auto sector production. Employment in manufacturing and nonmanufacturing increased 0.44% and 0.08% respectively. Employment in construction also increased 0.78% and retail sales are estimated to have risen 1.01% in June.

In the coming months, the national economy is likely to continue to show continuing signs of a weak recovery. The Bureau of Labor Statistics reported total nonfarm payroll employment rose by 163,000, and the unemployment rate was little unchanged at 8.3% in July. The CFNAI-MA3 suggests that growth in national economic activity was below its historical trend. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its weak economic activity over the next several months.

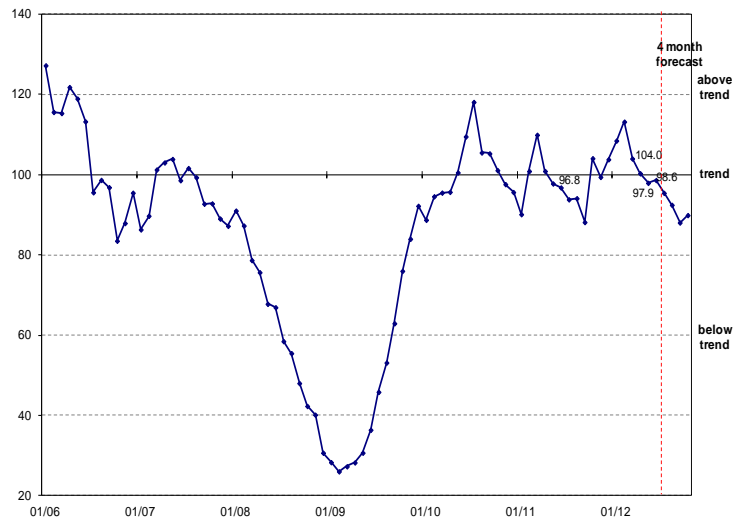
*Release Date:*  
August 17, 2012

*Next Release Date:*  
September 18, 2012

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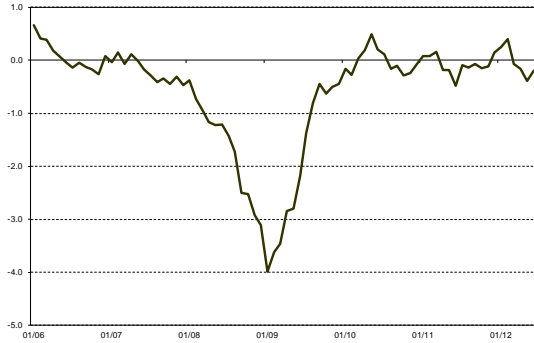
<b>CBAI</b> (Current: 98.6)			
	1 month	3 month	1 year
Historical (ago)	97.9	104.0	96.8
Forecast (ahead)	95.4	88.0	-

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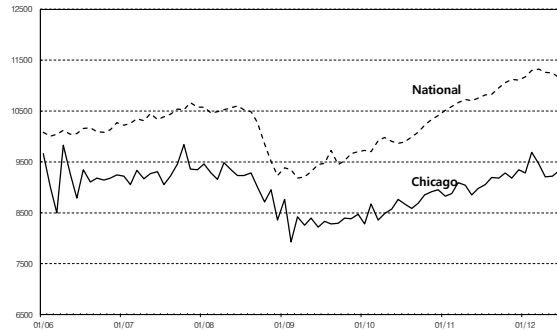


# Chicago Business Activity Index

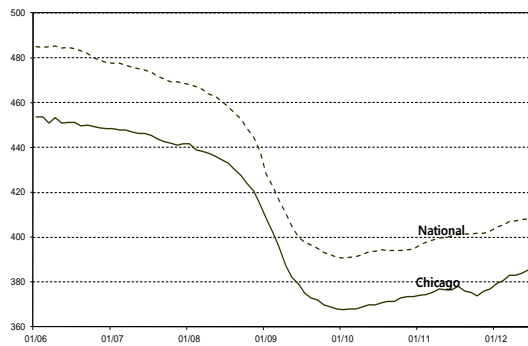
\* National indicators are rescaled for comparison.  
Chicago Fed National Activity Index (CFNAI-MA3)



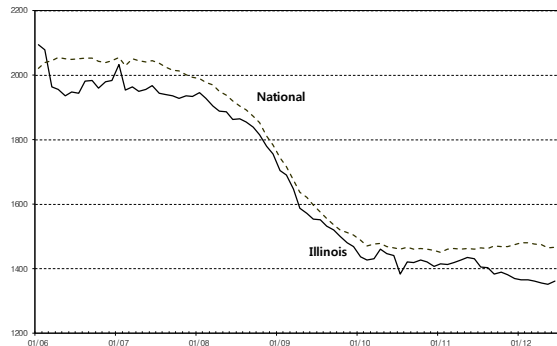
Chicago & National Retail Sales



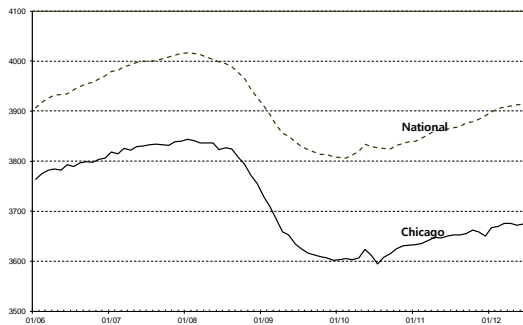
Chicago & National Manufacturing Employment



Illinois & National Construction



Chicago & National Non-manufacturing Employment



## Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	1.93	0.28	0.08	2.42	0.64	0.44
NMfgn	1.29	0.15	0.04	0.68	-0.02	0.08
Cons	0.35	-0.63	0.07	-4.82	0.12	0.78
Retail	3.72	-1.52	-0.80	3.80	-1.48	1.01

Note: All series are seasonally adjusted.

The Chicago Business Activity Index (CBAI) is a monthly statistic that measures the changes in the business cycle status of the six-county Chicago region. The CBAI leads the local business cycle by three-to-four months. REAL's approach to constructing this index, using the principal components regression method, directs attention to the relationship between local and national business cycle.

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