

**CHICAGO BUSINESS ACTIVITY INDEX**

**CBAI increased in May**

The Chicago Business Activity Index (CBAI) edged up to 102.7 in May from 102.3 in April. The rise is attributed to an increase in job growth in nonmanufacturing and construction in the Chicago area.

In May, the national and regional economies shared mixed features. The Federal Reserve Board announced that the industrial production index increased 0.5 percent in May after having little changed in April. Capacity utilization for the industrial sector was unchanged in July at 79.1. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) increased to +0.21 in May from -0.15 in April, led by a rise in production-, employment- and consumption-related indicators. In the Chicago region, the employment in manufacturing fell 0.40 percent in May. Nonmanufacturing and construction employment increased 0.12 and 0.29 percent respectively in May. Retail sales are estimated to have fallen 1.72 percent in May.

In the coming months, the national economy is likely to stay on the path to recovery. The economic growth reflected in the CFNAI-MA3 suggests that national economic activity was slightly above its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment rose by 288,000 in June, and the unemployment rate declined to 6.1 percent. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its recovery trend over the next several months.

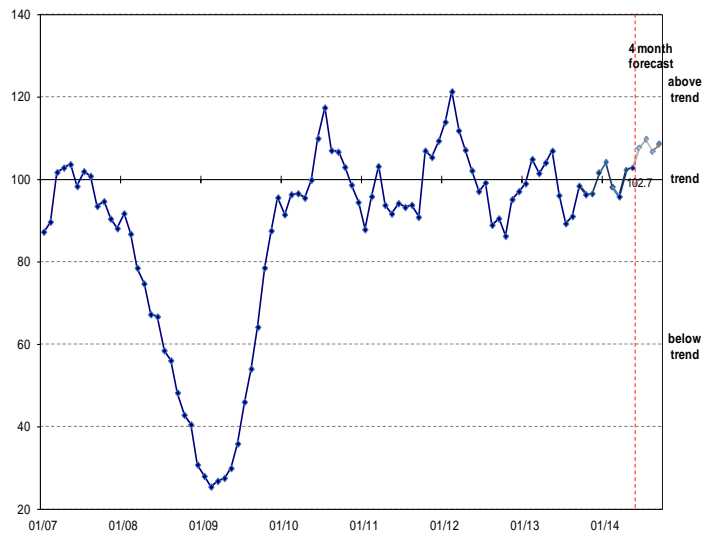
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*Next Release Date:*  
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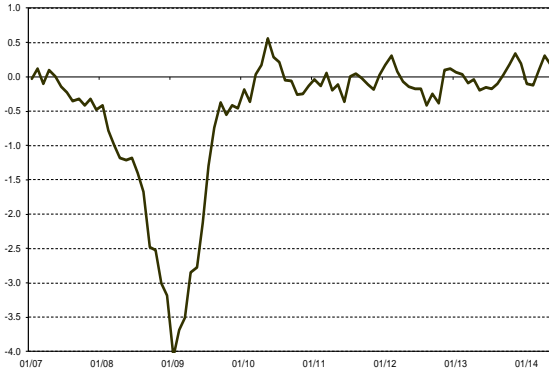
<b>CBAI</b> (Current: 102.7)			
	1 month	3 month	1 year
Historical (ago)	102.3	98.1	106.9
Forecast (ahead)	107.7	106.7	-

**Chicago Business Activity Index**

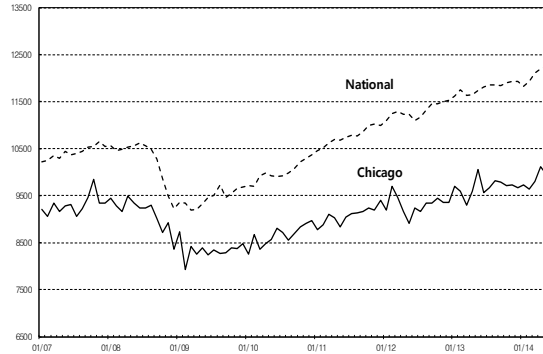


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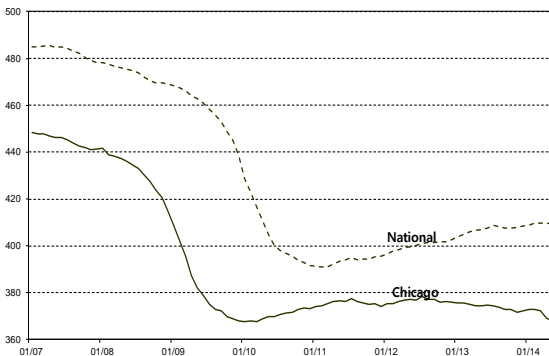
\* National indicators are rescaled for comparison  
**Chicago Fed National Activity Index (CFNAI-MA3)**



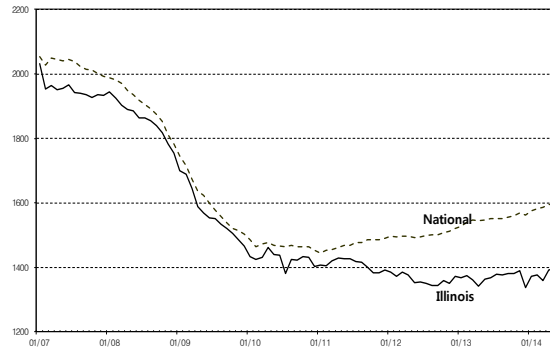
**Chicago & National Retail Sales**



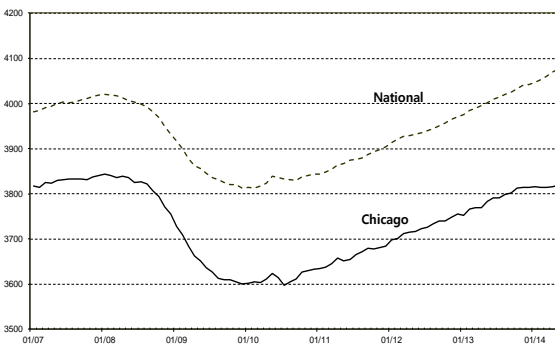
**Chicago & National Manufacturing Employment**



**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	0.93	0.20	0.09	-1.78	-1.31	-0.40
NMfgn	1.85	0.56	0.17	0.95	0.15	0.12
Cons	3.32	0.97	0.15	2.35	1.40	0.29
Retail	4.34	2.67	0.43	-1.16	3.05	-1.72

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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For more information please contact:  
 Kijin Kim, Research Assistant  
 T. (217) 244-7226; [kkim96@illinois.edu](mailto:kkim96@illinois.edu)

University of Illinois  
 220 Davenport Hall, 607 S. Mathews Ave.  
 Urbana, IL 61801-3671; [www.real.illinois.edu](http://www.real.illinois.edu)