

CHICAGO BUSINESS ACTIVITY INDEX – DECEMBER 2015

CBAI decreased in December

The Chicago Business Activity Index (CBAI) decreased to 97.2 in December from 98.7 in November. The decline is attributed to the negative job growth in the manufacturing and nonmanufacturing sectors in the Chicago area.

In December, the national and regional economies shared mixed features. The Federal Reserve Board announced that the industrial production index decreased 0.4 percent in December after having fallen 0.9 percent in November. Capacity utilization for the industrial sector fell 0.4 percentage point in December to 76.5 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved up to -0.22 in December from -0.36 in November. In the Chicago region, employment in the manufacturing and nonmanufacturing sectors decreased 0.25 percent and 0.08 percent, respectively, in December. Employment in the construction sector rose 1.84 percent in December. Retail sales are estimated to have increased 1.55 percent.

In the coming months, the national economy is likely to stay on the expansion phase. The economic growth reflected in the CFNAI-MA3 suggests that growth in national economic activity is somewhat below its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment increased by 151,000 and the unemployment rate was little unchanged at 4.9 percent in January. 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.

Release Date:
February 18, 2015

Next Release Date:
March 18, 2016

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CBAI (Current: 97.2)			
	1 month	3 month	1 year
Historical (ago)	98.7	94.7	96.3
Forecast (ahead)	97.9	98.6	-

Chicago Business Activity Index



* January 2007 = 100

Chicago Fed National Activity Index (CFNAI-MA3)



Retail Sales



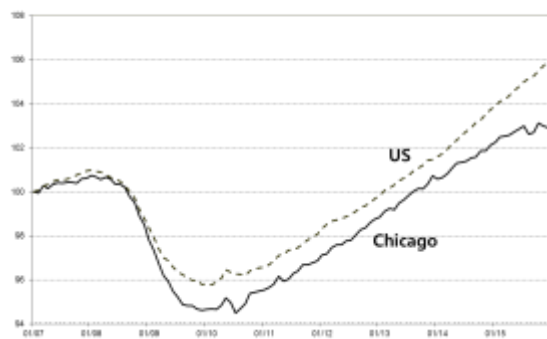
Manufacturing Employment



Construction



Non-manufacturing Employment



Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	0.27	0.15	0.11	-1.83	-0.93	-0.25
NMfgn	2.11	0.63	0.19	0.77	0.21	-0.08
Cons	4.70	2.26	0.73	2.71	0.43	1.84
Retail	1.85	0.22	0.01	1.89	0.20	1.55

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 Chicago metropolitan area. 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.