

CHICAGO BUSINESS ACTIVITY INDEX – May 2020

CBAI decreased in March

The Chicago Business Activity Index (CBAI) decreased to 98.9 in March from 100.5 in February. The decrease is mainly attributed to a negative manufacturing, nonmanufacturing and construction job growth.

In March, industrial production fell 5.4 percent, as the COVID-19 pandemic led many factories to suspend operations late in the month. Manufacturing output fell 6.3 percent; most major industries posted decreases, with the largest decline registered by motor vehicles and parts. At 103.7 percent of its 2012 average, the level of total industrial production in March was 5.5 percent lower than a year earlier. Capacity utilization for the industrial sector decreased 4.3 percentage points to 72.7 percent in March, a rate that is 7.1 percentage points below its long-run (1972–2019) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved down to -4.19 in March from 0.06 in February. In the Chicago region, employment in the manufacturing sector decreased 0.75 percent and employment in the nonmanufacturing sector decreased 1.14 percent in March. Employment in the construction sector decreased 0.99 percent and retail sales are estimated to have increased 0.52 percent during the same period.

Total nonfarm payroll employment fell by 20.5 million in April, and the unemployment rate rose to 14.7 percent. Therefore, a harsh recession is expected to significantly impact the index in the coming months.

Chicago Business Activity Index

Release Date:
May 18, 2020

Next Release Date:
June 18, 2020

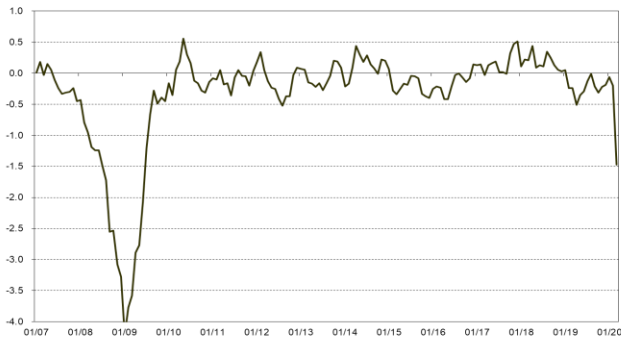
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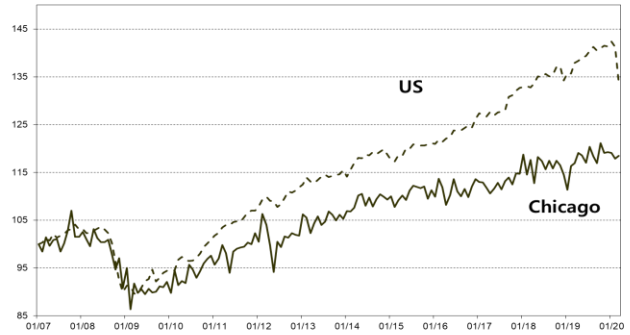
CBAI (Current: 98.9)			
	1 month	3 month	1 year
Historical (ago)	100.5	99.0	100.7
Forecast (ahead)	93.7	74.9	-

* January 2007 = 100

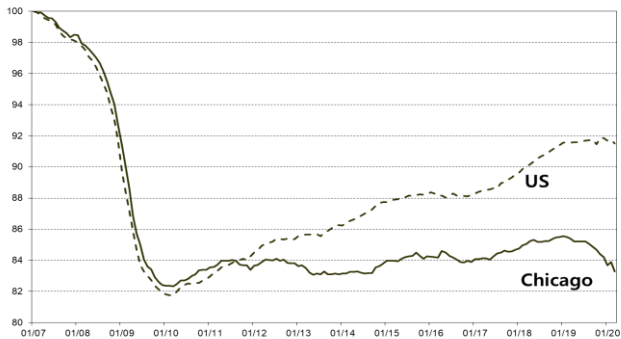
Chicago Fed National Activity Index(CFNAI-MA3)



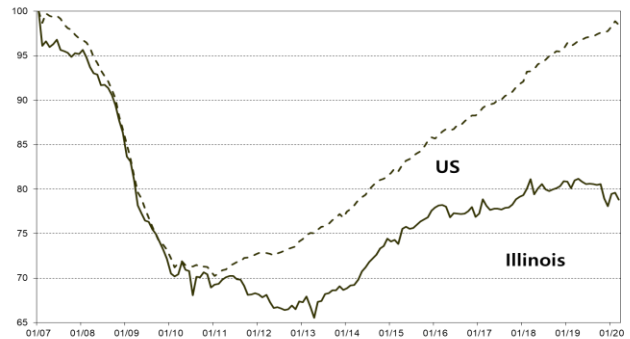
Retail Sales



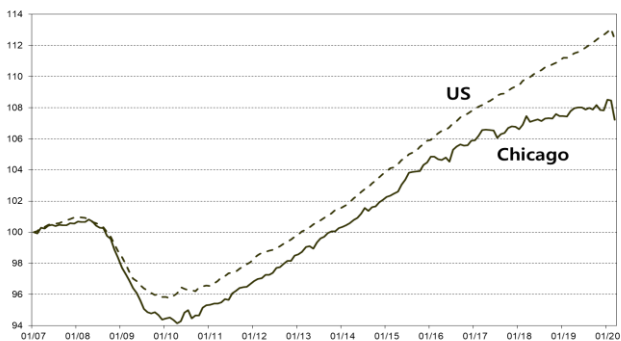
Manufacturing Employment



Construction Employment



Non-manufacturing Employment



Economic Activity: Summary

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	-0.07	-0.37	-0.26	-2.47	-1.09	-0.75
NMfgn	0.95	-0.26	-0.61	-0.54	-0.58	-1.14
Cons	2.19	0.68	-0.43	-2.71	0.94	-0.99
Retail	-2.93	-5.30	-5.27	1.38	-0.65	0.52

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.