

**CHICAGO BUSINESS ACTIVITY INDEX – December 2020**

**CBAI decreased in October**

The Chicago Business Activity Index (CBAI) decreased to 105.8 in October from 125.9 in September. The decrease is mainly attributed to negative nonmanufacturing job growth and a decline in retail sales.

In October, total industrial production rose 1.1 percent. Even if production has recovered 16.5 percent of its February to April decline, the index was still 5.6 percent below its pre-pandemic February level. Manufacturing output increased 1.0 percent, but at 103.2 percent of its 2012 average, total industrial production was 5.3 percent lower than it was a year earlier. Capacity utilization for the industrial sector increased 0.8 percentage point to 72.8 percent, a rate that is 7.0 percentage points below its long-run (1972–2019) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved up to 0.83 in October from 0.32 in September. In the Chicago region, employment in the manufacturing sector increased 0.09 percent and employment in the nonmanufacturing sector decreased 0.04 percent in October. Employment in the construction sector increased 2.42 percent and retail sales are estimated to have decreased 2.00 percent during the same period.

Total nonfarm payroll employment rose by 245,000 in November, and the unemployment rate declined to 6.7 percent. These improvements reflect economic recovery, and COVID-19 vaccine, which has been recently supplied, can keep the resumption of economic activity if it works.

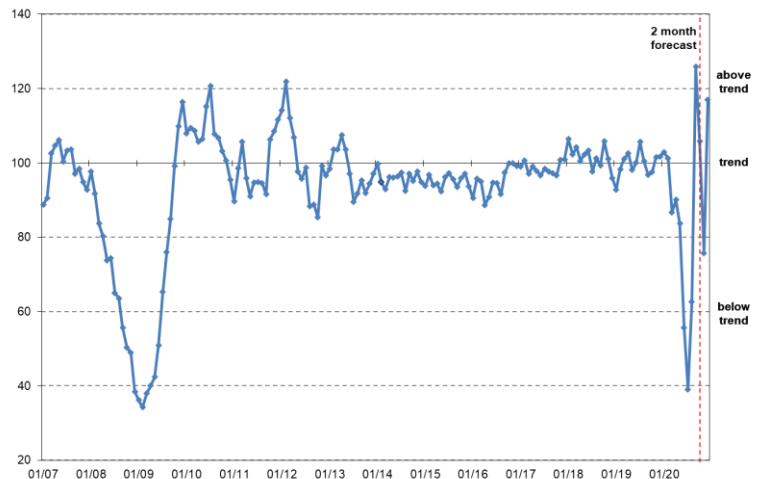
**Chicago Business Activity Index**

Release Date:  
*December, 2020*

Next Release Date:  
*January 18, 2021*

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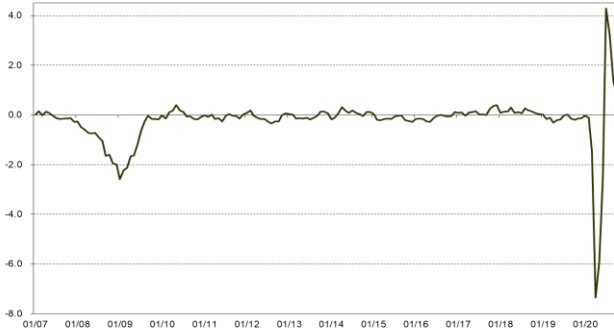
<b>CBAI (Current: 105.8)</b>			
	1 month	3 month	1 year
Historical (ago)	125.9	39.1	97.5
Forecast (ahead)	75.7	198.8	-



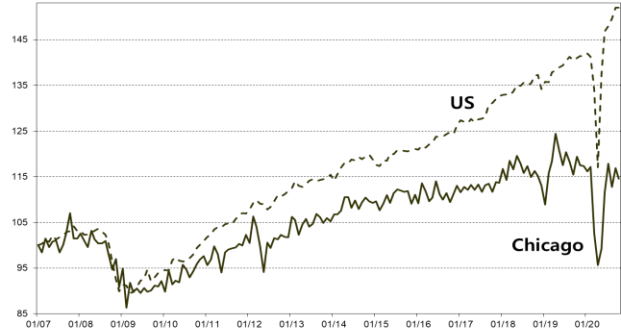
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\* January 2007 = 100

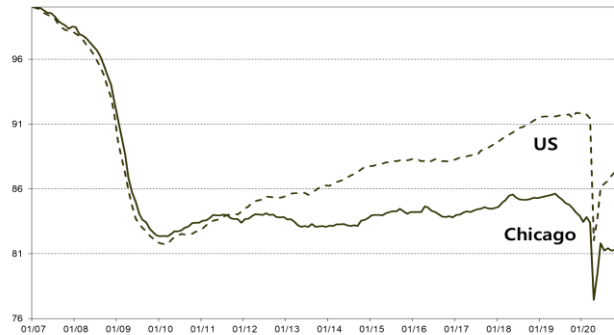
**Chicago Fed National Activity Index(CFNAI-MA3)**



**Retail Sales**



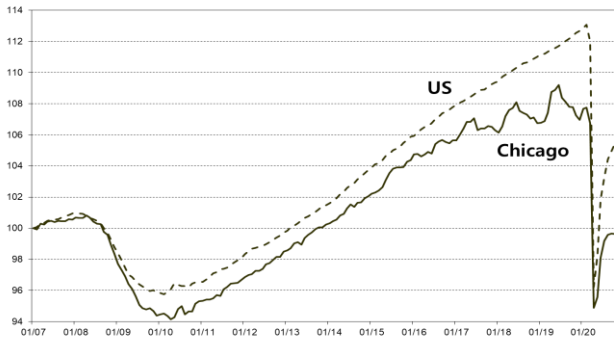
**Manufacturing Employment**



**Construction Employment**



**Non-manufacturing Employment**



**Economic Activity: Summary**

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	-4.56	1.02	0.27	-3.79	0.06	0.09
NMfgn	-6.19	2.11	0.45	-7.57	0.43	-0.04
Cons	-2.76	1.82	0.99	-4.44	0.21	2.42
Retail	7.81	2.76	0.00	-4.06	-2.76	-2.00

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.

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