

**CHICAGO BUSINESS ACTIVITY INDEX – May 2021**

**CBAI decreased in March**

The Chicago Business Activity Index (CBAI) decreased to 84.4 in March from 137.9 in February. The decrease is mainly attributed to decline in expected retail sales. At the same time, as the graph below shows, the CBAI will surpass 100 within the next 2-3 months and predicts the economy will recover. A longer-than-expected COVID-19 shock and the occurrence of several new waves of infections has delayed economic recovery and caused recent unstable monthly changes in the CBAI. However, economic indicators explaining employment and production as well as the CBAI are anticipating an economic rejuvenation in the coming months.

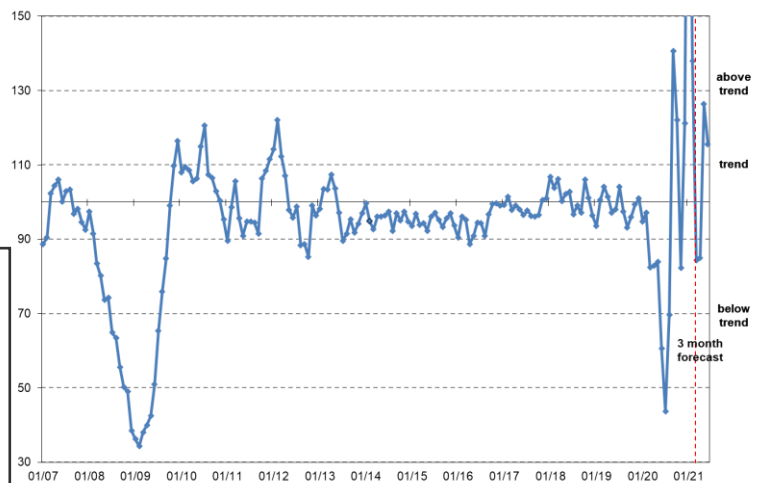
In March, total industrial production increased 1.4 percent. Manufacturing output increased 2.7 percent, and at 105.6 percent of its 2012 average, total industrial production was 1.0 percent higher than it was a year earlier. Capacity utilization for the industrial sector increased 1.0 percentage point to 74.4 percent, a rate that is 5.2 percentage points below its long-run (1972–2020) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved up to 1.71 in March from -1.2 in February. In the Chicago region, employment in the manufacturing sector increased 0.01 percent and employment in the nonmanufacturing sector increased 1.04 percent in March. Employment in the construction sector increased 3.51 percent and retail sales are estimated to have decreased 1.38 percent during the same period. Total US nonfarm payroll employment increased by 266,000 in April, and the unemployment rate was little changed at 6.1 percent.

**Chicago Business Activity Index**

Release Date:  
*May, 18, 2021*

Next Release Date:  
*June 18, 2021*

Visit our web-site at [www.real.illinois.edu](http://www.real.illinois.edu)

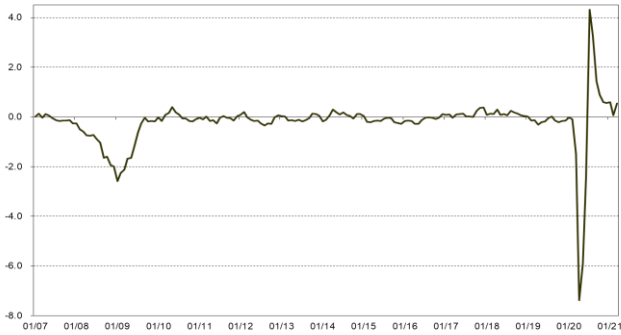


<b>CBAI (Current: 84.4)</b>			
	1 month	3 month	1 year
Historical (ago)	137.9	121.3	82.4
Forecast (ahead)	84.9	115.6	-

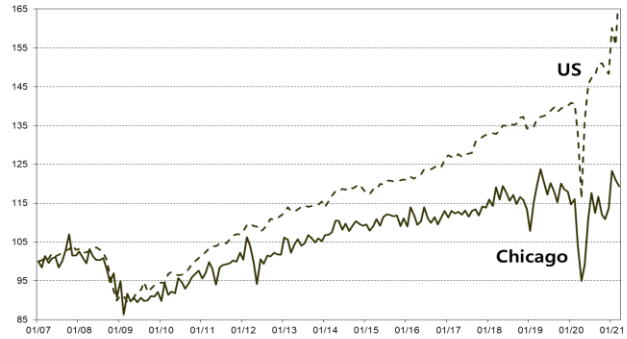
# REGIONAL | ECONOMICS | APPLICATIONS | LABORATORY

\* January 2007 = 100

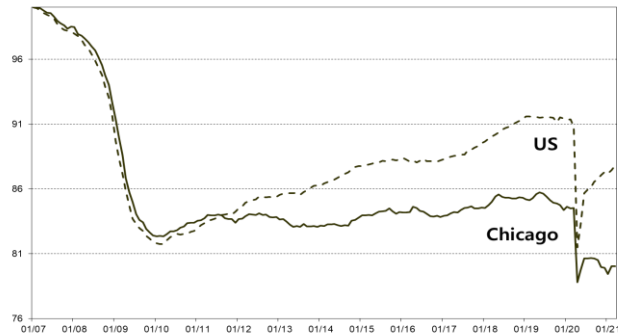
**Chicago Fed National Activity Index(CFNAI-MA3)**



**Retail Sales**



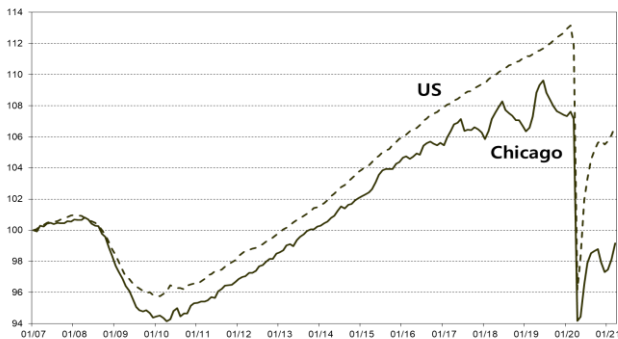
**Manufacturing Employment**



**Construction Employment**



**Non-manufacturing Employment**



**Economic Activity: Summary**

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	-3.27	0.58	0.44	-5.32	0.17	0.01
NMfgn	-4.62	1.13	0.55	-7.46	1.90	1.04
Cons	-1.39	0.70	1.32	-1.50	1.49	3.51
Retail	28.19	14.88	9.44	14.65	4.85	-1.38

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.

## REGIONAL | ECONOMICS | APPLICATIONS | LABORATORY

For more information, please contact:  
 Youngwook Jung, Research Assistant  
[yj10@illinois.edu](mailto:yj10@illinois.edu)

University of Illinois at Urbana-Champaign  
 67 Mumford Hall, 1301 West Gregory Drive  
 Urbana, IL 61801; [www.real.illinois.edu](http://www.real.illinois.edu)