

**CHICAGO BUSINESS ACTIVITY INDEX**

**CBAI increased in November 2009**

The Chicago Business Activity Index (CBAI) was 80.0 in November 2009, up from 72.8 in October. Even though November’s index remains still below its historical trend, the recent movement of the index imply that the improving trend in the regional economic activities has been maintained.

In November 2009, the national and regional economy presented generally bright features. The Federal Reserve Board’s industrial production index increased 0.8 percent in November after having been unchanged in October 2009. The unemployment rate declined slightly from 10.1 percent in October to 10.0 percent in November while the nonfarm payroll employment increased by 4,000 in November. Subsequently, the Chicago Fed National Activity Index (CFNAI) increased to -0.32 in November, up sharply from -1.02 in October. The Chicago Fed analyzed that the increase of the index was led mainly by production-related and employment-related improvements in the national economy. Meanwhile, the Chicago Fed Midwest Manufacturing Index (CFMMI) continued to increase in November, increasing 1.2 percent after registering an increase of 0.8 percent in October. In the Chicago region, manufacturing, non-manufacturing and construction employment decreased 0.2 percent, 0.3 percent and 1.9 percent respectively in November 2009.

In the coming months, the national economy is likely to maintain its improving pattern; but a number of uncertainties surround the actual pace. Most of all, substantial doubt exists on how responsive the employment situation will be to the ongoing improvement of the business activities. In December 2009, the number of unemployed persons was 15.3 million; and it had been at 7.7 million at the start of the recession in December 2007. For the local economy, considering recent national economic conditions, the Chicago economy is expected to continue on an improving trend in the near future. However, the CBAI still continues to be far below the long-term trend, suggesting that it would take considerable time to gain the momentum of economic expansion.

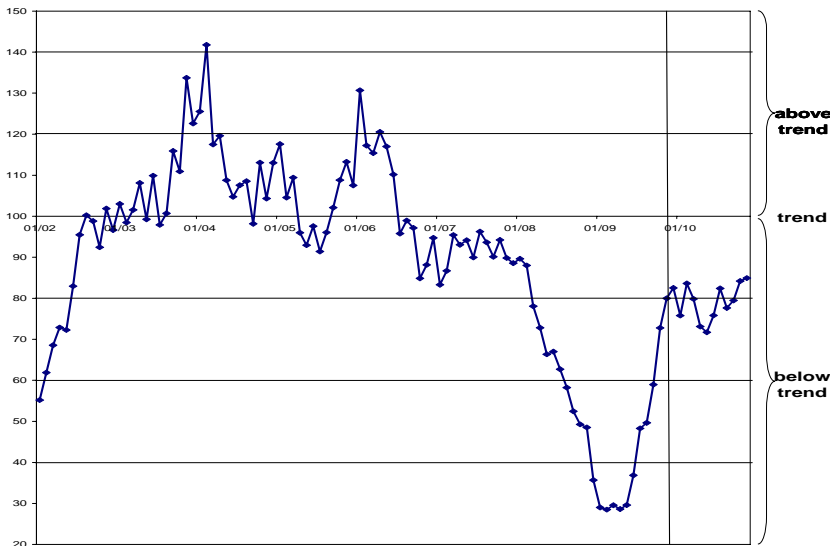
**Chicago Business Activity Index**

*Release Date:*  
January 15, 2010

*Next Release Date:*  
February 15, 2010

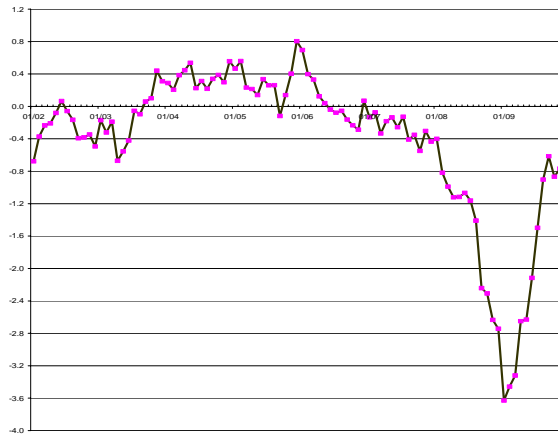
Visit our web-site at  
[www.real.illinois.edu](http://www.real.illinois.edu)

<b>CBAI</b> (Current: 80.0)			
	1 month	3 month	1 year
Historical (ago)	72.8	49.6	48.5
Forecast (ahead)	82.5	83.6	84.9

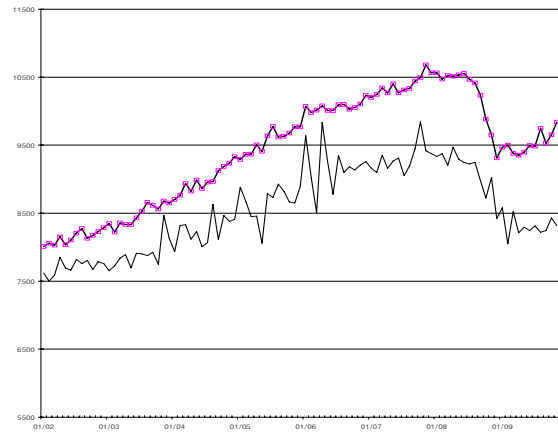


# Chicago Business Activity Index

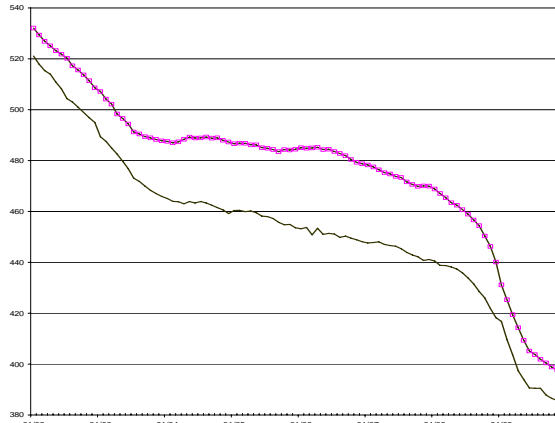
Chicago Fed National Activity Index (CFNAI-MA3)



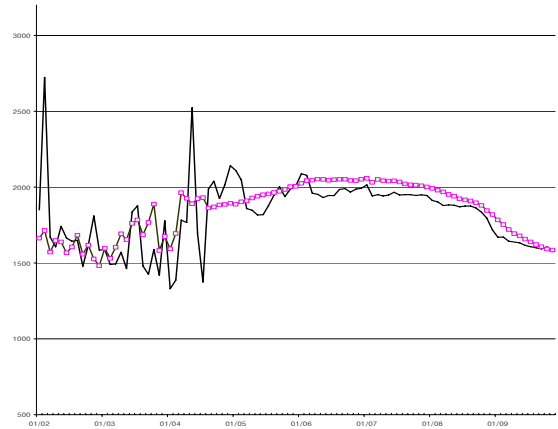
Chicago & National Retail Sales



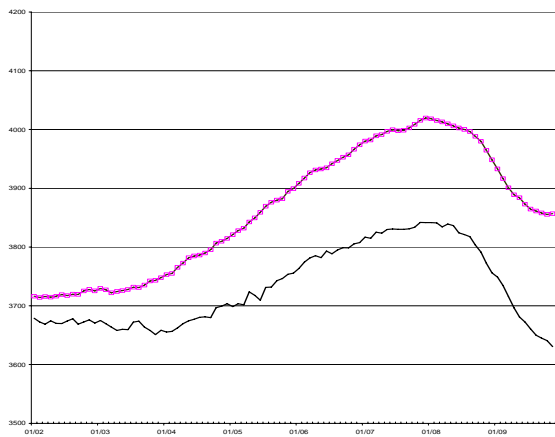
Chicago & National Manufacturing Employment



Illinois & National Construction



Chicago & National Non-manufacturing Employment



\* Black lines show Chicago indicators.  
National indicators are rescaled for comparison.

## Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	-10.89	-1.05	-0.30	-8.56	-1.22	-0.22
NMfgn	-2.72	-0.12	0.03	-3.76	-0.53	-0.28
Cons	-14.11	-2.23	-0.45	-12.27	-1.64	-1.88
Retail	1.95	0.93	1.93	-7.86	1.15	-1.37

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.

REGIONAL | ECONOMICS | APPLICATIONS | LABORATORY

For more information please contact:  
Tae-Jeong Kim, Research Assistant  
T. 217/244-7226; tkim35@illinois.edu

University of Illinois  
220 Davenport Hall, 607 S. Mathews Ave.  
Urbana, IL 61801-3671, www.real.illinois.edu