

CHICAGO BUSINESS ACTIVITY INDEX – AUGUST 2015

CBAI decreased in August

The Chicago Business Activity Index (CBAI) decreased to 97.3 in August from 99.6 in July. The fall is attributed to the negative job growth in the manufacturing, nonmanufacturing and construction sectors and to a decline in retail activities in the Chicago area.

In August, the national and regional economies shared negative features. The Federal Reserve Board announced that the industrial production index decreased 0.4 percent in August after having increased 0.9 percent in July. Capacity utilization for the industrial sector fell 0.4 percentage point in August to 77.6 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) fell to -0.41 in August from +0.51 in July, led by a fall in the production, consumption and housing-related indicators. In the Chicago region, employment in the manufacturing and nonmanufacturing sectors decreased 0.23 percent and 0.29 percent, respectively, in August. Employment in the construction sector fell 0.57 percent in August. Retail sales are estimated to have declined 0.52 percent.

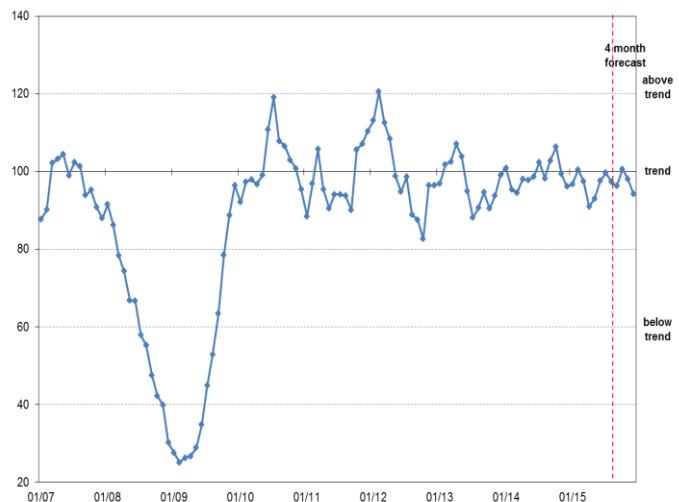
In the coming months, the national economy is likely to stay on the expansion phase. The economic growth reflected in the CFNAI-MA3 suggests that growth in national economic activity is close to its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment rose by 142,000 and the unemployment rate was unchanged at 5.1 percent in September. 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:
October 16, 2015

Next Release Date:
November 18, 2015

Visit our web-site at www.real.illinois.edu

Chicago Business Activity Index

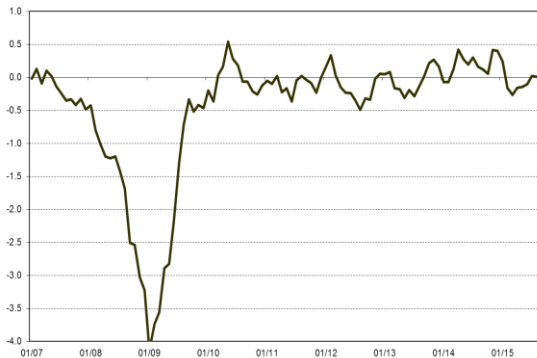


CBAI (Current: 97.3)			
	1 month	3 month	1 year
Historical (ago)	99.6	93.0	98.2
Forecast (ahead)	96.3	98.0	-

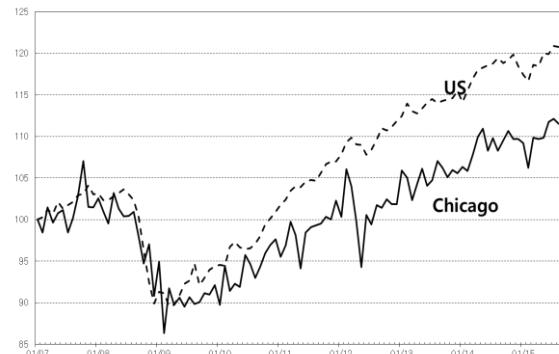
REGIONAL | ECONOMICS | APPLICATIONS | LABORATORY

* January 2007 = 100

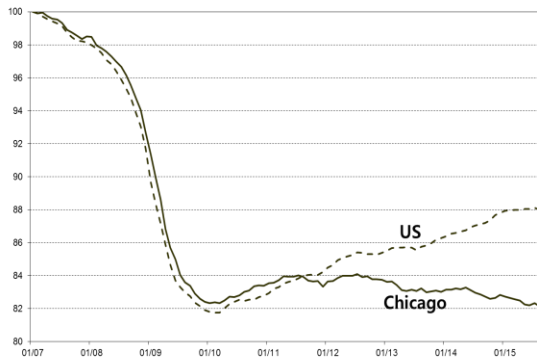
Chicago Fed National Activity Index (CFNAI-MA3)



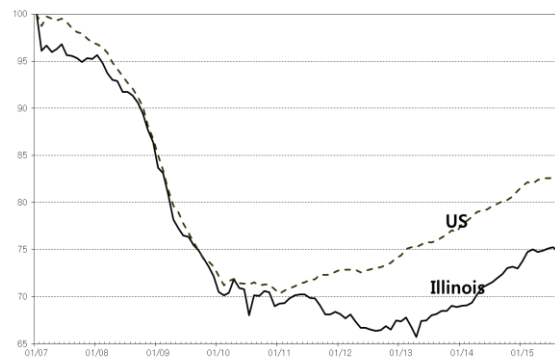
Retail Sales



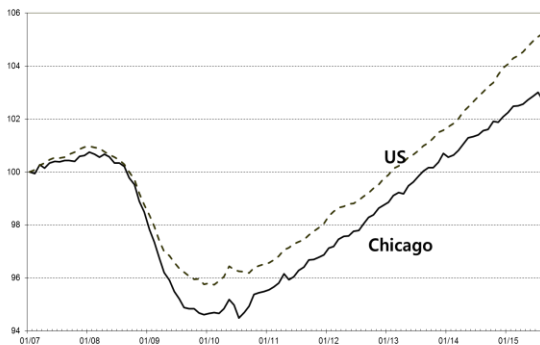
Manufacturing Employment



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	1.00	-0.05	-0.15	-0.86	-0.14	-0.23
NMfgn	2.15	0.47	0.12	1.12	-0.02	-0.29
Cons	3.55	0.17	0.08	3.93	-0.06	-0.57
Retail	1.16	0.66	-0.06	3.03	1.56	-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.

REGIONAL | ECONOMICS | APPLICATIONS | LABORATORY

For more information please contact:
Kijin Kim, Research Assistant
T. (217) 244-7226; kkim96@illinois.edu

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