

CHICAGO BUSINESS ACTIVITY INDEX

CBAI decreased in August

The Chicago Business Activity Index (CBAI) was 96.0 in August, down from 107.1 in July. The decrease in August could be attributed mainly to the decline in national production- and employment-related activities and the negative contribution of retail and non-manufacturing sector in the Chicago region.

In August, the national and regional economy presented mixed features. The Federal Reserve Board announced that industrial production rose 0.2 percent in August. The capacity utilization rate for total industry rose to 74.7. In addition, national retail sales increased 0.68 percent in August. Both the number of unemployed persons, at 14.9 million, and the unemployment rate, at 9.6 percent, were little changed in August. From May through August, the jobless rate remained in the range of 9.5 to 9.7 percent.

The Chicago Fed reported that its Chicago Fed National Activity Index (CFNAI) decreased to -0.53 in August, from -0.11 in July. Meanwhile, the Chicago Fed Midwest Manufacturing Index (CFMMI) decreased 1.36 percent in August, after a 1.89 percent increase in July. In the Chicago region in August, manufacturing employment decreased 0.61 percent while non-manufacturing employment decreased 0.17 percent and construction employment increased by 6.0 percent. Regional retail sales are estimated to have decreased 0.69 percent in July.

In the coming months, the national economy is likely to maintain its modest recovery trend; but a number of uncertainties remain. The Bureau of Labor Statistics reported total nonfarm payroll employment declined by 54,000 in August. Government employment fell by 121,000, reflecting the departure of temporary Census 2010 workers from federal government payrolls. Total private employment edged up by 67,000. For the local economy, although the concerns of the chance of a double-dip recession have increased, considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to be on an improving trend over the next several months.

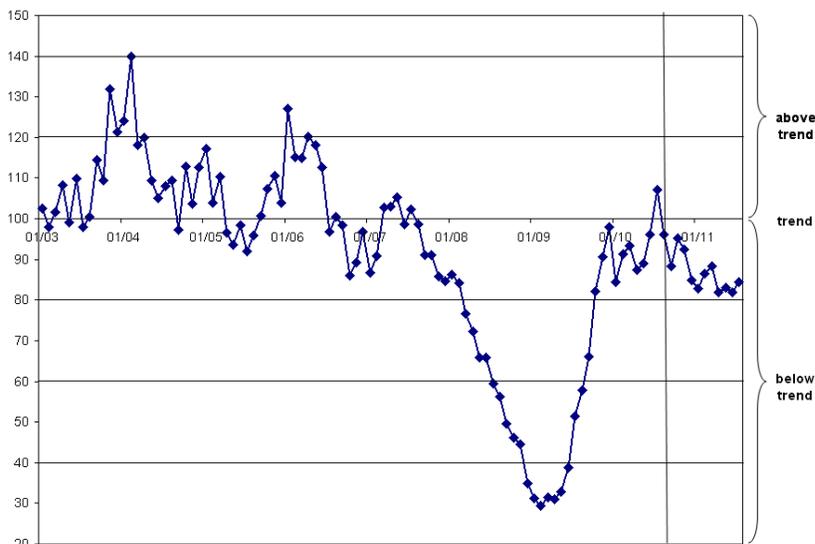
Release Date:
October 18, 2010

Next Release Date:
November 17, 2010

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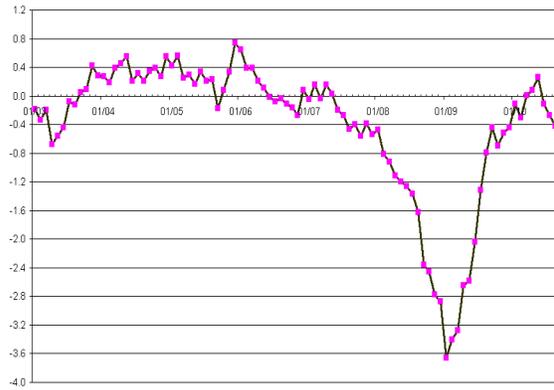
CBAI (Current: 96.0)			
	1 month	3 month	1 year
Historical (ago)	107.1	89.0	57.9
Forecast (ahead)	88.3	92.5	84.7

Chicago Business Activity Index

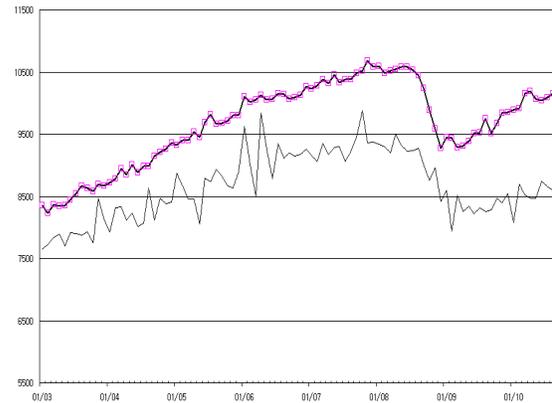


Chicago Business Activity Index

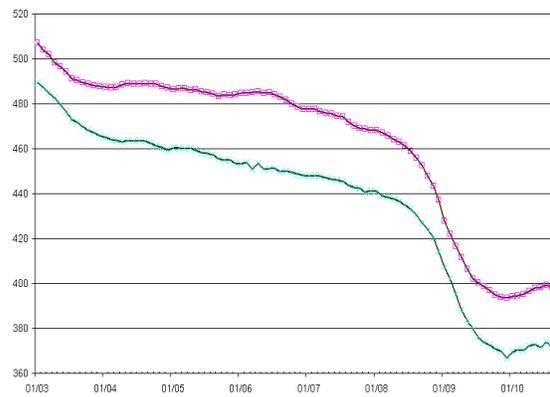
Chicago Fed National Activity Index (CFNAI-MA3)



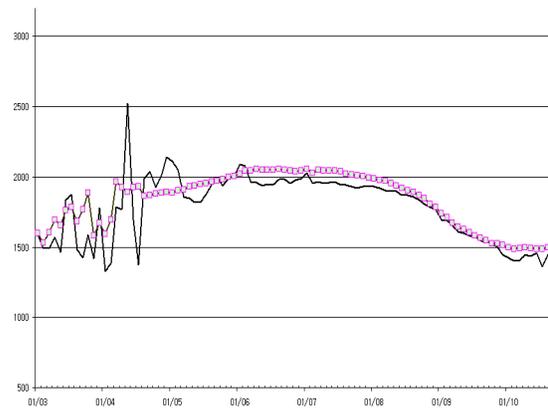
Chicago & National Retail Sales



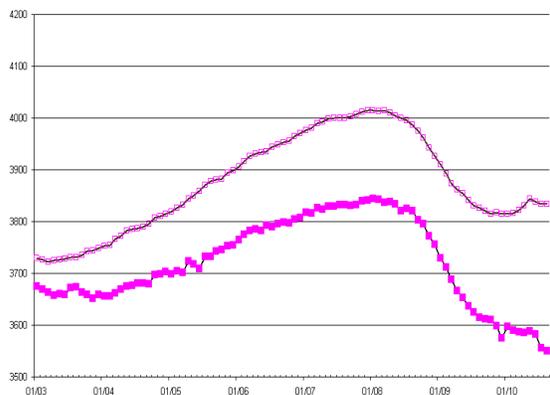
Chicago & National Manufacturing Employment



Illinois & National Construction



Chicago & National Non-manufacturing Employment



* Black lines show Chicago indicators.

Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	-0.05	0.07	-0.24	-0.61	-0.32	-0.61
NMfgn	0.19	-0.26	-0.02	-1.81	-1.07	-0.17
Cons	-4.42	0.36	0.55	-6.62	0.68	6.00
Retail	4.19	0.85	0.68	4.04	1.41	-0.69

Note: All series are seasonally adjusted.

National indicators are rescaled for comparison.

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.

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