

**CHICAGO BUSINESS ACTIVITY INDEX**

**CBAI decreased in November**

The Chicago Business Activity Index (CBAI) was 96.6 in November, a slight decrease from 99.9 in October. The drop is attributed mainly to the sluggishness in private consumption and the drop in construction employment in the Chicago region.

In November, the national and regional economy presented mixed features. The Federal Reserve Board announced that industrial production decreased 0.2 percent in November after having advanced 0.7 percent in October. The capacity utilization for total industry decreased to 77.8 percent. In addition, national retail sales increased 0.39 percent in November. The number of unemployed persons at 13.3 million was down by 594,000 in November.

The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) decreased to -0.37 in November, from -0.11 in October. Meanwhile, the Chicago Fed Midwest Manufacturing Index (CFMMI) decreased 0.12 percent in November. In the Chicago region in November, manufacturing employment increased 0.4 percent; while non-manufacturing employment edged 0.06 percent and construction employment decreased by 0.04 percent. Regional retail sales are estimated to have decreased 0.8 percent in November.

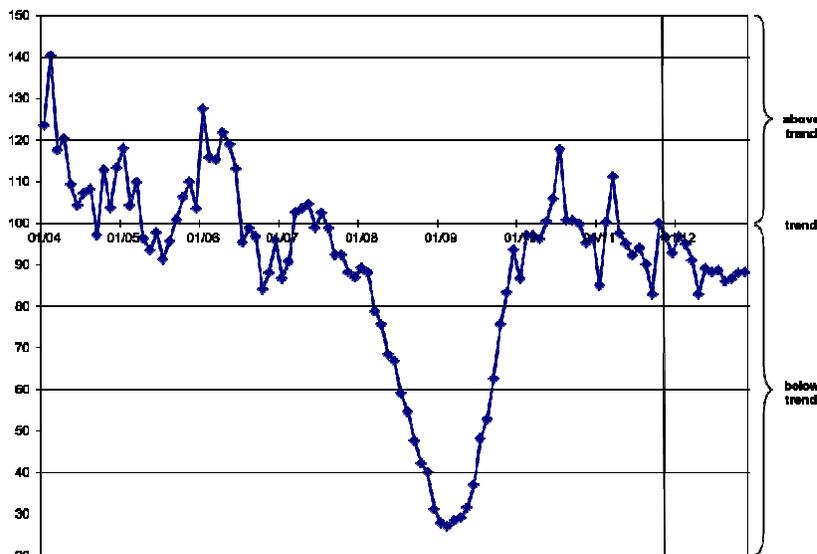
In the coming months, the national economy is likely to maintain its bumpy recovery trend. The Bureau of Labor Statistics reported total nonfarm payroll employment increased by 120,000 in November. The private sector added 140,000 jobs, as employment rose in a number of service-providing industries. Government employment continued to trend down. For the local economy, the projected time series show that construction sectors will decrease and retail sector will decrease in the next month. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to experience a period of fluctuations and continue its weak improving trend over the next several months.

**Chicago Business Activity Index**

*Release Date:*  
January 17, 2012

*Next Release Date:*  
February 17, 2012

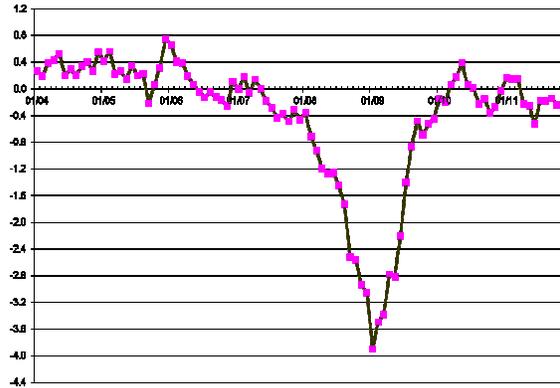
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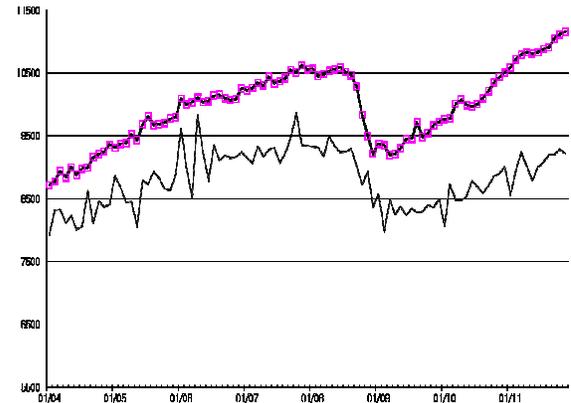
<b>CBAI</b> (Current: 96.6)			
	1 month	3 month	1 year
Historical (ago)	99.9	90.1	95.2
Forecast (ahead)	92.8	95.0	88.1

# Chicago Business Activity Index

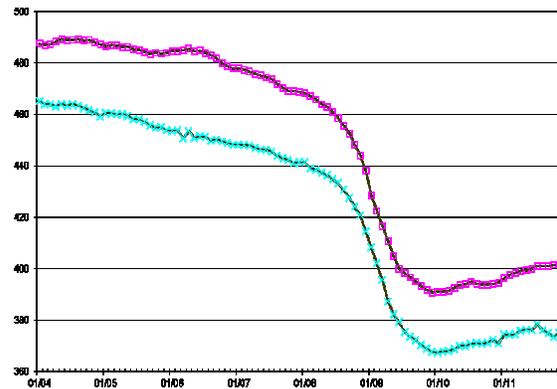
Chicago Fed National Activity Index (CFNAI-MA3)



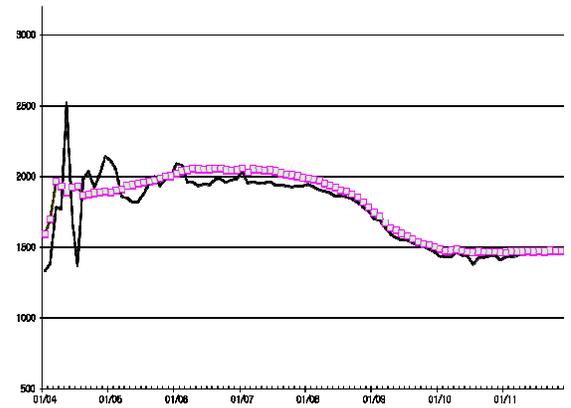
Chicago & National Retail Sales



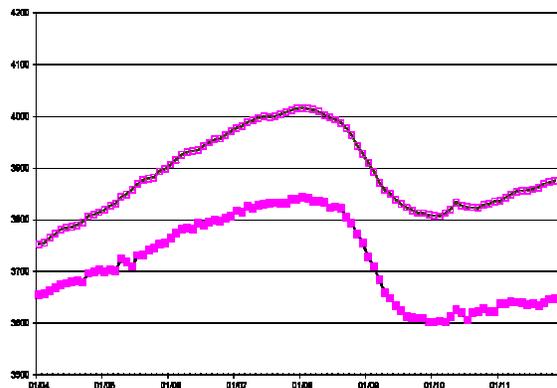
Chicago & National Manufacturing Employment



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	1.84	0.09	0.01	0.76	-0.25	0.40
NMfgn	1.16	0.34	0.08	0.68	0.36	0.06
Cons	0.42	0.16	-0.22	1.22	-0.96	-0.04
Retail	6.95	2.29	0.39	3.58	0.14	-0.80

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

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