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The Conference Board Leading Economic Index® (LEI) for the U.S. Increases Again

NEW YORK, March 17, 2011...The Conference Board Leading Economic Index® (LEI) for the U.S. increased 0.8 percent in February to 113.4 (2004 = 100), following a 0.1 percent increase in January, and a 1.0 percent increase in December.

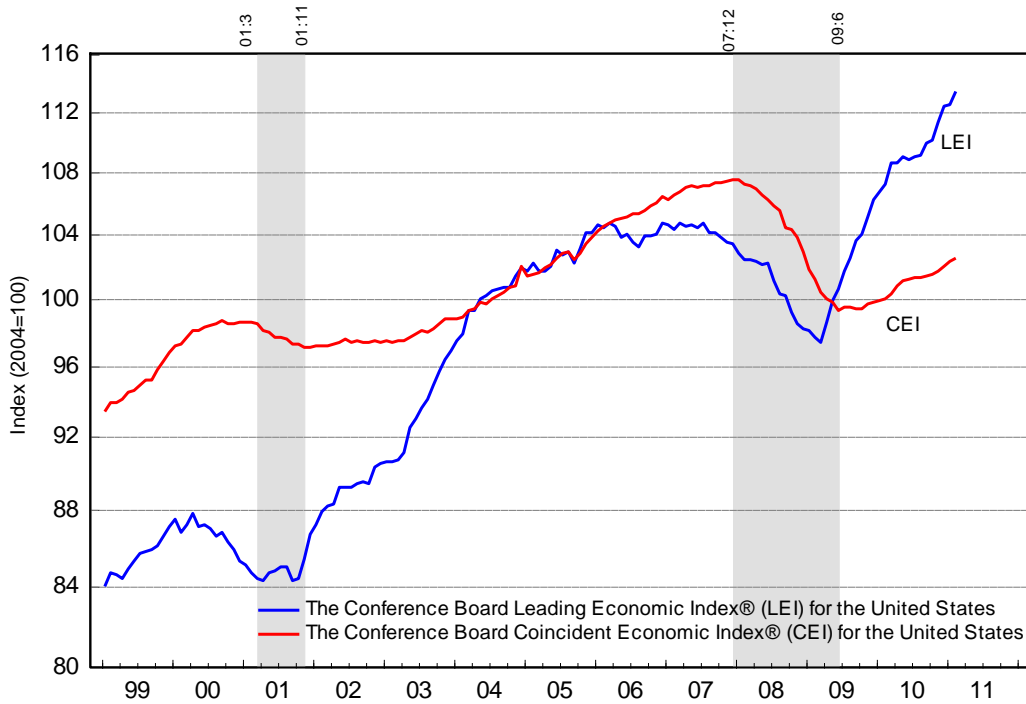
Says Ataman Ozyildirim, economist at The Conference Board: “With February’s large gain, the U.S. LEI returned to the strengthening upward trend that began last September. The LEI is pointing to an economic expansion that should gain more momentum in the coming months. In February, improvements in labor markets, financial components, and consumer expectations more than offset falling housing permits.”

Says Ken Goldstein, economist at The Conference Board: “Latest data point to an improving economy, one that will continue to gain strength through the summer. The economy continues to encounter strong headwinds. One headwind is the sharp rise in food and energy prices. Still, the way inflation will move is unclear, given the degree of slack in the overall economy, and especially in the labor market.”

The Conference Board Coincident Economic Index® (CEI) for the U.S. increased 0.2 percent in February to 102.5 (2004 = 100), following a 0.3 percent increase in January, and a 0.3 percent increase in December. **The Conference Board Lagging Economic Index® (LAG)** increased 0.2 percent in February to 108.0 (2004 = 100), following a 0.3 percent decline in January, and a 0.2 percent increase in December.

With February’s increase, the U.S. LEI is about 16.0 percent above its most recent trough in March 2009, and remains at an all-time historical high. However, the U.S. CEI, a measure of current economic conditions, is only about 3.0 percent above its most recent trough in June 2009, when the recession ended.

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Latest LEI Trough March 2009, Latest CEI Trough June 2009
 Shaded areas represent recessions as determined by the National Bureau of Economic Research.
 Source: The Conference Board

Summary Table of Composite Economic Indexes

	2010 Dec	2010 Jan	2011 Feb	6-month Aug to Feb
Leading index	112.4 r	112.5 r	113.4 p	
Percent Change	1.0 r	.1	.8 p	3.9
Diffusion	80.0	55.0	80.0	80.0
Coincident Index	102.0	102.3 p	102.5 p	
Percent Change	.3	.3 p	.2 p	1.2
Diffusion	75.0	62.5	100.0	100.0
Lagging Index	108.1 r	107.8 p	108.0 p	
Percent Change	.2 r	-.3 p	.2 p	0.3
Diffusion	50.0	35.7	57.1	35.7

n.a. Not available p Preliminary r Revised
 Indexes equal 100 in 2004
 Source: The Conference Board

About The Conference Board Leading Economic Index® (LEI) for the U.S.

The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The leading, coincident, and lagging economic indexes are essentially composite averages of several individual leading, coincident, or lagging indicators. They are constructed to summarize and reveal common turning point patterns in economic data in a clearer and more convincing manner than any individual component – primarily because they smooth out some of the volatility of individual components.

The ten components of **The Conference Board Leading Economic Index®** for the U.S. include:

- Average weekly hours, manufacturing
- Average weekly initial claims for unemployment insurance
- Manufacturers' new orders, consumer goods and materials
- Index of supplier deliveries – vendor performance
- Manufacturers' new orders, nondefense capital goods
- Building permits, new private housing units
- Stock prices, 500 common stocks
- Money supply, M2
- Interest rate spread, 10-year Treasury bonds less federal funds
- Index of consumer expectations

For full press release and technical notes:

<http://www.conference-board.org/data/bcicountry.cfm?cid=1>

For more information about The Conference Board global business cycle indicators:

<http://www.conference-board.org/data/bci.cfm>

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