

FOR RELEASE: 10:00 A.M. ET, Friday, May 17, 2024

The Conference Board®  
U.S. Business Cycle Indicators<sup>SM</sup>  
**THE CONFERENCE BOARD LEADING ECONOMIC INDEX®**  
**(LEI) FOR THE UNITED STATES**  
**AND RELATED COMPOSITE ECONOMIC INDEXES FOR MAY 2024**

**The Conference Board Leading Economic Index®** (LEI) for the U.S. decreased 0.6 percent, **The Conference Board Coincident Economic Index®** (CEI) increased 0.2 percent, and **The Conference Board Lagging Economic Index®** (LAG) increased 0.4 percent in April.

- The Conference Board LEI for the U.S. decreased again in April. Negative contributions from consumer expectations, ISM® New Orders Index, interest rate spread, building permits, and the S&P 500® Index of Stock Prices largely outweighed the small positive contributions from average weekly initial unemployment claims, Leading Credit Index™, new orders for nondefense capital goods excluding aircraft, and new orders for consumer goods and materials. Over the six-month period ending in April 2024, the Leading Economic Index decreased 1.9 percent (about a 3.8 percent annual rate), materially less negative than the contraction of 3.5 percent (about a 6.9 percent annual rate) over the previous six months. In addition, the weaknesses among the leading indicators remained more widespread than strengths, as four of the ten components improved over the six months between October 2023 and April 2024.
- The Conference Board CEI for the U.S., a measure of current economic activity, edged up in April. The coincident economic index rose 0.9 percent (about a 1.8 percent annual rate) between October 2023 and April 2024, marginally larger than the growth of 0.8 percent (about a 1.6 percent annual rate) over the previous six months. In addition, the strengths among the coincident indicators continued to remain widespread, as all components advanced over the past six months. The Lagging Economic Index increased at a faster pace than the CEI, and as a result, the coincident-to-lagging ratio fell slightly. Real GDP growth slowed to 1.6 percent (annual rate) in the first quarter of 2024, after 3.4 percent (annual rate) in the previous quarter.
- The Conference Board LEI for the U.S. declined again in April. However, its six-month and annual changes have recorded less negative readings in recent months. Meanwhile, The Conference Board CEI for the U.S. has been rising slowly through April, and its six- and twelve-month growth rates have increased moderately over recent months. Taken together, the current behavior of the composite indexes and their components suggest that headwinds will continue for the near-term but could ease thereafter.

**LEADING INDICATORS:** Four of the ten indicators that comprise *The Conference Board Leading Economic Index®* for the U.S. increased in April. The positive contributors—beginning with the largest positive contributor—were average weekly initial claims for unemployment insurance (inverted), the Leading Credit Index™ (inverted), manufacturers' new orders for nondefense capital goods excluding aircraft\*, and manufacturers' new orders for consumer goods and materials\*. The negative contributors—beginning with the largest negative contributor—were average consumer expectations for business conditions, the ISM® New Orders Index, the interest rate spread, building permits, and the S&P 500® Index of Stock Prices, while the average weekly manufacturing hours held steady in April.

The LEI for the U.S. decreased 0.6 percent in April and now stands at 101.8 (2016=100). Based on revised data, this index decreased 0.3 percent in March, and increased 0.2 percent in February. Over the six-month span through April, the leading economic index decreased 1.9 percent, with four out of ten components advancing (diffusion index, six-month span equals 40 percent).

**COINCIDENT INDICATORS:** All indicators that comprise *The Conference Board Coincident Economic Index*<sup>®</sup> for the U.S. increased in April. The positive contributors to the index—beginning with the largest positive contributor—were personal income less transfer payments\*, employees on nonagricultural payrolls, manufacturing and trade sales\*, and industrial production.

The CEI increased 0.2 percent in April and now stands at 112.3 (2016=100). Based on revised data, this index increased 0.2 percent in March, and increased 0.3 percent in February. During the six-month period through April the coincident economic index increased 0.9 percent, with all four components advancing (diffusion index, six-month span equals 100 percent).

**LAGGING INDICATORS:** *The Conference Board Lagging Economic Index*<sup>®</sup> for the U.S. increased 0.4 percent in April and now stands at 119.5 (2016=100), with three of its seven components advancing. The positive contributors to the index—beginning with the largest positive contributor—were the average duration of unemployment (inverted), the ratio of consumer installment credit outstanding to personal income\*, and commercial and industrial loans outstanding\*. The only negative contributor was the change in the index of labor cost per unit of output, manufacturing\*. The ratio of manufacturing and trade inventories to sales\*, the average prime rate charged by banks, and the change in CPI for services held steady in April. Based on revised data, the lagging economic index remained unchanged in March and increased 0.2 percent in February.

#### **DATA AVAILABILITY AND NOTES.**

The data series used to compute **The Conference Board Leading Economic Index**<sup>®</sup> (LEI) for the U.S., **The Conference Board Coincident Economic Index**<sup>®</sup> (CEI) for the U.S. and **The Conference Board Lagging Economic Index**<sup>®</sup> (LAG) for the U.S. and reported in the tables in this release are those available “as of” 9:15 am ET on May 16, 2024. Some series are estimated as noted below.

\* Series in The Conference Board LEI for the U.S. based on our estimates are manufacturers’ new orders for consumer goods and materials and manufacturers’ new orders for nondefense capital goods excluding aircraft. Series in The Conference Board CEI for the U.S. that are based on our estimates are personal income less transfer payments and manufacturing and trade sales. Series in The Conference Board LAG for the U.S. that are based on our estimates are manufacturing and trade inventories to sales ratio, the change in labor cost per unit of output, manufacturing, consumer installment credit to income ratio, and the personal consumption expenditure deflator used to deflate commercial and industrial loans outstanding.

The procedure used to estimate the current month’s personal consumption expenditure deflator (used in the calculation of commercial and industrial loans outstanding) incorporates the current month’s consumer price index when it is available before the release of The Conference Board LEI for the U.S.

---

#### **For further information contact:**

Jonathan Liu 732-991-1754 / [JLiu@tcb.org](mailto:JLiu@tcb.org)

Indicators Program:

Email: [indicators@tcb.org](mailto:indicators@tcb.org)

Website: [www.conference-board.org/data/bci.cfm](http://www.conference-board.org/data/bci.cfm)

---

**THE CYCLICAL INDICATOR APPROACH.** 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. (See page 3 for details.) 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.

Historically, the cyclical turning points in The Conference Board LEI for the U.S. have occurred before those in aggregate economic activity, while the cyclical turning points in The Conference Board CEI for the U.S. have occurred at about the same time as those in aggregate economic activity. The cyclical turning points in The Conference Board LAG for the U.S. generally have occurred after those in aggregate economic activity.

U.S. Composite Economic Indexes: Components and Standardization Factors

<u>Leading Economic Index</u>		<u>Factor</u>
1	Average weekly hours, manufacturing	0.2412
2	Average weekly initial claims for unemployment insurance	0.0141
3	Manufacturers' new orders, consumer goods and materials	0.0763
4	ISM® new orders index	0.1669
5	Manufacturers' new orders, nondefense capital goods excl. aircraft	0.0464
6	Building permits, new private housing units	0.0302
7	S&P 500® Index of Stock Prices	0.0413
8	Leading Credit Index™	0.1004
9	Interest rate spread, 10-year Treasury bonds less federal funds	0.1257
10	Avg. consumer expectations for business conditions	0.1575
<u>Coincident Economic Index</u>		
1	Employees on nonagricultural payrolls	0.3272
2	Personal income less transfer payments	0.3122
3	Industrial production	0.1927
4	Manufacturing and trade sales	0.1679
<u>Lagging Economic Index</u>		
1	Inventories to sales ratio, manufacturing and trade	0.1210
2	Average duration of unemployment	0.0278
3	Consumer installment credit outstanding to personal income ratio	0.1135
4	Commercial and industrial loans	0.0913
5	Average prime rate	0.3521
6	Labor cost per unit of output, manufacturing	0.0525
7	Consumer price index for services	0.2418

Notes:

The component factors are inversely related to the standard deviation of the month-to-month changes in each component. They are used to equalize the volatility of the contribution from each component and are “normalized” to sum to 1. When one or more components are missing, the other factors are adjusted proportionately to ensure that the total continues to sum to 1.

These factors were revised effective with the release in January 2024, and all historical values for the three composite economic indexes were revised at this time to reflect the changes. (Under normal circumstances, updates to the leading, coincident, and lagging economic indexes only incorporate revisions to data over the past six months.) The factors for The Conference Board LEI for the U.S. were calculated using May 1990-December 2022 as the sample period for measuring volatility. A separate set of factors for the February 1959 - December 1977, January 1978 - December 1983 and January 1984 – April 1990 periods are available upon request. The primary sample period for the coincident and lagging economic indexes was February 1959 – December 2022. For additional information on the standardization factors and the index methodology see: “Benchmark Revisions in the Composite Indexes,” *Business Cycle Indicators* December 1997 and “Technical Appendix: Calculating the Composite Indexes” *Business Cycle Indicators* December 1996, or the Website: [www.conference-board.org/topics/business-cycle-indicators](http://www.conference-board.org/topics/business-cycle-indicators).

The trend adjustment factor for The Conference Board LEI for the U.S. is -0.0858 (over the 1984 – present) and 0.1096 (over the 1959-1983 period), and the trend adjustment factor for The Conference Board LAG for the U.S. is 0.1588.

To address the problem of lags in available data, those leading, coincident and lagging indicators that are not available at the time of publication are estimated using statistical imputation. An autoregressive model is used to estimate each unavailable component. The resulting indexes are therefore constructed using real and estimated data and will be revised as the unavailable data during the time of publication become available. Such revisions are part of the monthly data revisions, now a regular part of the U.S. Business Cycle Indicators program. The main advantage of this procedure is to utilize in the leading economic index data such as stock prices, interest rate spread, and manufacturing hours that are available sooner than other data on real aspects of the economy such as manufacturers’ new orders. Empirical research by The Conference Board suggests that there are real gains in adopting this procedure to make all the indicator series as up-to-date as possible.

## NOTICES

**The Conference Board Leading Economic Index® (LEI) for the U.S. news release schedule for 2024:**

Monday, January 22, 2024	For December 2023 data
Tuesday, February 20, 2024	For January 2024 data
Thursday, March 21, 2024	For February 2024 data
Thursday April 18, 2024	For March 2024 data
Friday, May 17, 2024	For April 2024 data
Friday, June 21, 2024	For May 2024 data
Thursday, July 18, 2024	For June 2024 data
Monday, August 19, 2024	For July 2024 data
Thursday, September 19, 2024	For August 2024 data
Monday, October 21, 2024	For September 2024 data
Thursday, November 21, 2024	For October 2024 data
Thursday, December 19, 2024	For November 2024 data

All releases are at 10:00 AM ET.

### **About The Conference Board**

The Conference Board is the member-driven think tank that delivers Trusted Insights for What's Ahead™. Founded in 1916, we are a non-partisan, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States. [ConferenceBoard.org](https://www.conference-board.org).

### **AVAILABLE FROM THE CONFERENCE BOARD**

#### **U.S. Business Cycle Indicators Internet Subscription**

*(Includes historical data and charts)*

\$ 1140 per year

**BCI Handbook (published 2001)**      PDF only – website download

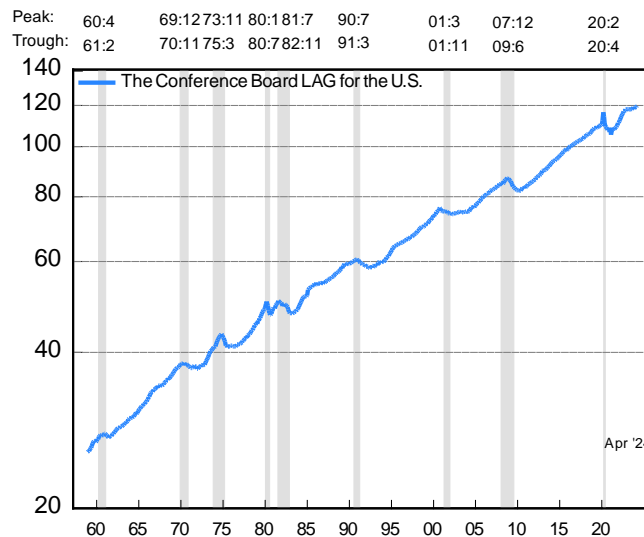
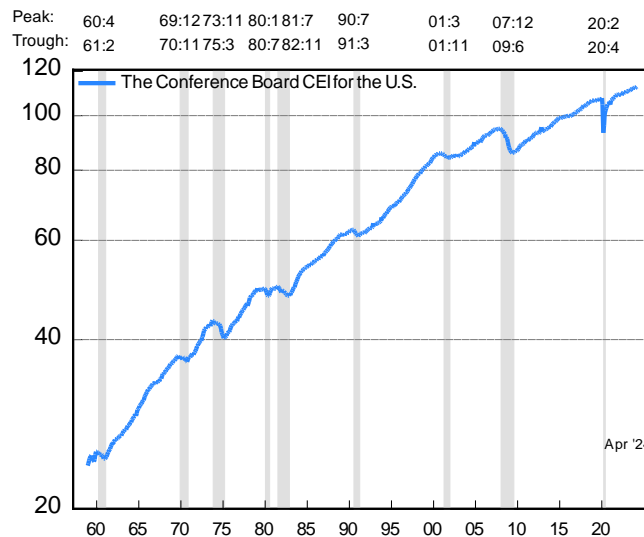
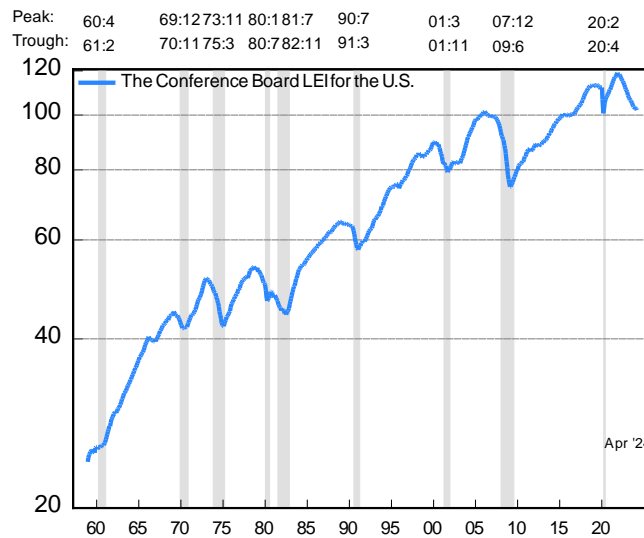
#### **Understanding Business Cycles: The Indicators Approach to Forecasting for Agility:**

<https://www.conference-board.org/publications/publicationdetail.cfm?publicationid=2510>

Business Cycle Indicators for Brazil, China, the Euro Area, France, Germany, India, Japan, South Korea, Mexico, Spain, the U.K, and the U.S. are available at \$ 1140 per country per year.

TO VIEW DATA PREVIOUSLY AVAILABLE IN TABLES, PLEASE VISIT:  
<https://data-central.conference-board.org/>

## U.S. Composite Economic Indexes (2016=100)



Shaded areas represent recessions as determined by the National Bureau of Economic Research.

© The Conference Board 2024. All data contained in this table are protected by United States and international copyright laws. The data displayed are provided for informational purposes only and may only be accessed, reviewed, and/or used in accordance with, and the permission of, The Conference Board consistent with a subscriber or license agreement and the Terms of Use displayed on our website at [www.conference-board.org](http://www.conference-board.org). The data and analysis contained herein may not be used, redistributed, published, or posted by any means without express written permission from The Conference Board.

**COPYRIGHT TERMS OF USE.** All material in this data table, this press release, and on Our Sites are protected by United States and international copyright laws. You must abide by all copyright notices and restrictions contained in Our Sites. You may not reproduce, distribute (in any form including over any local area or other network or service), display, perform, create derivative works of, sell, license, extract for use in a database, or otherwise use any materials (including computer programs and other code) in this data table, this press release, and on Our Sites (collectively, "Site Material"), except that you may download Site Material in the form of one machine readable copy that you will use only for personal, noncommercial purposes, and only if you do not alter Site Material or remove any trademark, copyright or other notice displayed on the Site Material. If you are a subscriber to any of the services offered on Our Sites, you may be permitted to use Site Material, according to the terms of your subscription agreement.

**TRADEMARKS.** "THE CONFERENCE BOARD", the TORCH LOGO, "THE CONFERENCE BOARD LEADING ECONOMIC INDEX", "THE CONFERENCE BOARD COINCIDENT ECONOMIC INDEX", "THE CONFERENCE BOARD LAGGING ECONOMIC INDEX", and any other logos, indicia and trademarks featured in this data table, this press release, or on Our Sites are trademarks owned by The Conference Board, Inc. in the United States and other countries ("Our Trademarks"). You may not use Our Trademarks in connection with any product or service that does not belong to us or in any manner that is likely to cause confusion among users about whether The Conference Board is the source, sponsor, or endorser of the product or service, nor in any manner that disparages or discredits us.

Violators of these rights will be prosecuted to the full extent of the law. Nothing herein shall restrict the use of the information by news journalists using the information in a legitimate news publication or periodical.