

News Release

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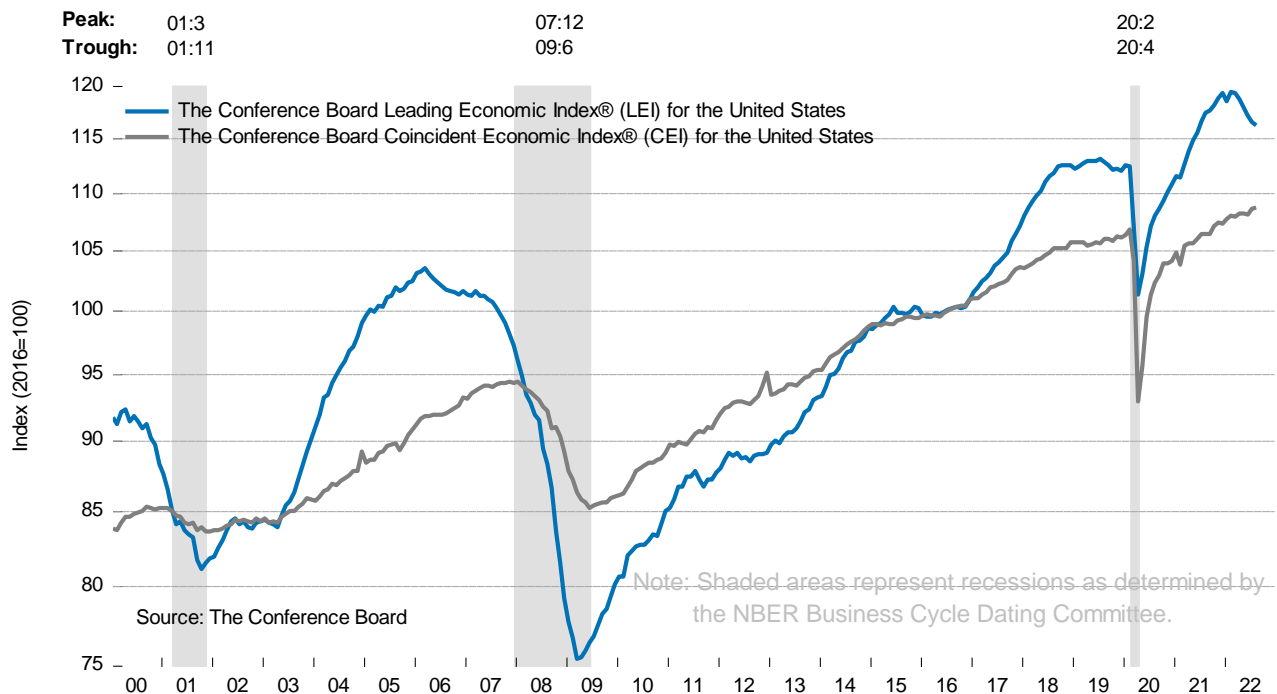
The Conference Board Leading Economic Index® (LEI) for the U.S. Declines Further in August

New York, September 22, 2022...The Conference Board Leading Economic Index® (LEI) for the U.S. decreased by 0.3 percent in August 2022 to 116.2 (2016=100), after declining by 0.5 percent in July. The LEI fell 2.7 percent over the six-month period between February and August 2022, a reversal from its 1.7 percent growth over the previous six months.

“The US LEI declined for a sixth consecutive month potentially signaling a recession,” **Ataman Ozyildirim, Senior Director, Economics, at The Conference Board.** “Among the index’s components, only initial unemployment claims and the yield spread contributed positively over the last six months—and the contribution of the yield spread has narrowed recently.”

“Furthermore, labor market strength is expected to continue moderating in the months ahead. Indeed, the average workweek in manufacturing contracted in four of the last six months—a notable sign, as firms reduce hours before reducing their workforce. Economic activity will continue slowing more broadly throughout the US economy and is likely to contract. A major driver of this slowdown has been the Federal Reserve’s rapid tightening of monetary policy to counter inflationary pressures. The Conference Board projects a recession in the coming quarters.”

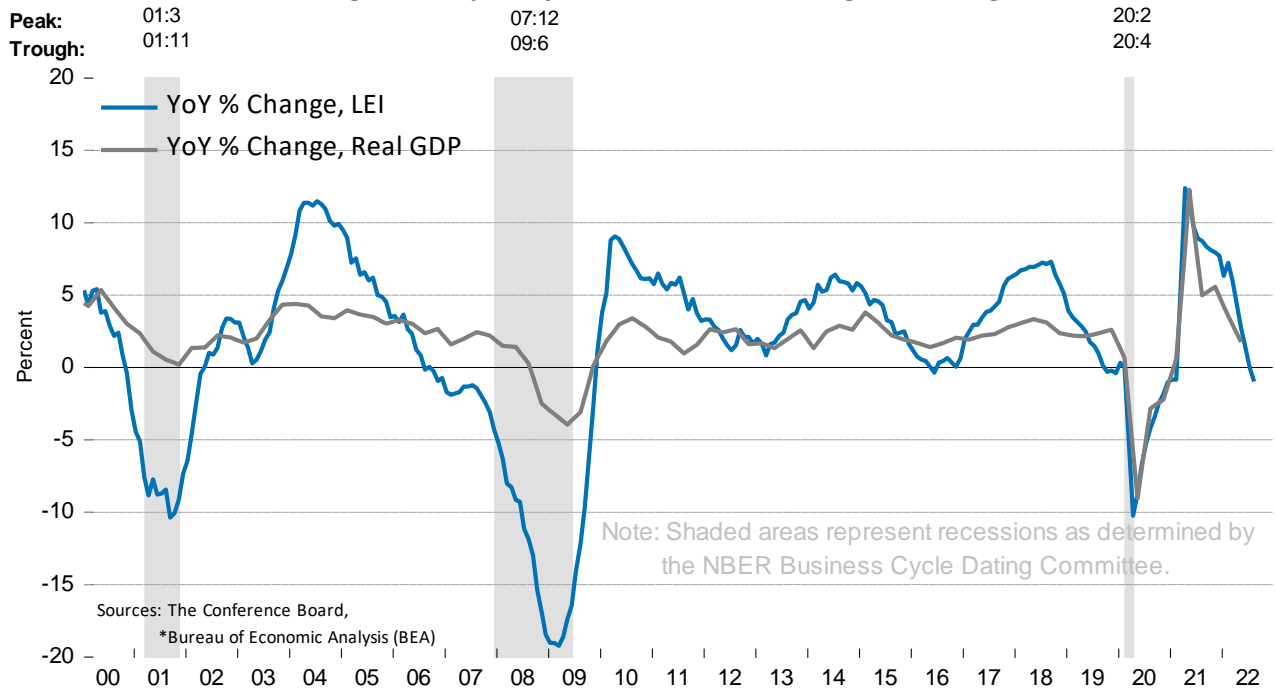
US LEI continued to decline signaling a contraction in economic activity may be imminent



Elevated recessions risks persist



The long-term trajectory of the US LEI turned negative in August



The Conference Board Coincident Economic Index® (CEI) for the U.S. increased by 0.1 percent in August 2022 to 108.7 (2016=100), after increasing by 0.5 percent in July. The CEI rose by 0.6 percent over the six-month period from February to August 2022, slower than its growth of 1.5 percent over the previous six-month period.

The Conference Board Lagging Economic Index® (LAG) for the U.S. increased by 0.7 percent in August 2022 to 115.4 (2016 = 100), following a 0.4 percent increase in July. The LAG is up 4.4 percent over the six-month period from February to August 2022, faster than its growth of 2.5 percent over the previous six-month period.

Summary Table of Composite Economic Indexes

| | Jun | 2022 Jul | Aug | 6-month Feb to Aug |
|------------------|---------|-------------|---------|--------------------------|
| Leading Index | 117.1 | 116.5 r | 116.2 p | |
| Percent Change | -0.7 | -0.5 r | -0.3 p | -2.7 |
| Diffusion | 40.0 | 40.0 | 60.0 | 20.0 |
| Coincident Index | 108.1 r | 108.6 | 108.7 p | |
| Percent Change | -0.1 r | 0.5 r | 0.1 p | 0.6 |
| Diffusion | 37.5 | 100.0 | 75.0 | 75.0 |
| Lagging Index | 114.1 r | 114.6 r | 115.4 p | |
| Percent Change | 0.8 r | 0.4 | 0.7 p | 4.4 |
| Diffusion | 85.7 | 57.1 | 57.1 | 85.7 |

p Preliminary r Revised

Indexes equal 100 in 2016

Source: The Conference Board

The next release is scheduled for Thursday, October 20, 2022, at 10 A.M. ET.

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 indexes are constructed to summarize and reveal common turning points in the economy in a clearer and more convincing manner than any individual component. The CEI is highly correlated with real GDP. The LEI is a predictive variable that anticipates (or “leads”) turning points in the business cycle by around 7 months. Shaded areas denote recession periods or economic contractions. The dates above the shaded areas show the chronology of peaks and troughs in the business cycle.

The ten components of **The Conference Board Leading Economic Index®** for the U.S. include: Average weekly hours in manufacturing; Average weekly initial claims for unemployment insurance; Manufacturers’ new orders for consumer goods and materials; ISM® Index of New Orders; Manufacturers’ new orders for nondefense capital goods excluding aircraft orders; Building permits for new private housing units; S&P 500® Index of Stock Prices; Leading Credit Index™; Interest rate spread (10-year Treasury bonds less federal funds rate); Average consumer expectations for business conditions.

To access data, please visit: <https://data-central.conference-board.org/>

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