THE CONFERENCE BOARD

FOR RELEASE: 10:00 A.M. ET, Thursday, February 20, 2025

The Conference Board®
US Business Cycle Indicators

THE CONFERENCE BOARD LEADING ECONOMIC INDEX® (LEI) FOR THE UNITED STATES

AND RELATED COMPOSITE ECONOMIC INDEXES FOR JANUARY 2025

The Conference Board Leading Economic Index® (LEI) for the US decreased by 0.3%,
The Conference Board Coincident Economic Index® (CEI) increased by 0.3%, and
The Conference Board Lagging Economic Index® (LAG) increased by 0.5% in January.

- The Conference Board LEI for the US decreased in January. Negative contributions from average working hours in manufacturing and depressed consumer expectations more than offset the small positive contributions from initial unemployment claims, the interest rate spread, and the Leading Credit Index™. In the six-month period ending January 2025, the leading economic index decreased by 0.9% (about a –1.8% annual rate), a less intense decline than its contraction of 1.7% (about a −3.4% annual rate) over the previous six months. In addition, the strengths among the leading indicators became more widespread, with 6 out of 10 components advancing between July 2024 and January 2025.

- The Conference Board CEI for the US, a measure of current economic activity, ticked up in January. The coincident economic index rose by 1.0% (about a 2.0% annual rate) between July 2024 and January 2025, an inch higher than its growth of 0.9% (about a 1.8% annual rate) over the previous six months. The strengths among the coincident indicators have remained very widespread, with all components advancing over the past six months. The lagging economic index also increased, but at a faster pace than the CEI. As a result, the coincident-to-lagging ratio ticked down. Real GDP expanded at a 2.3% annualized rate in the last quarter of 2024, down from the 3.1% (annual rate) in the third quarter.

- The Conference Board LEI for the US decreased in January after increasing in November and December of 2024. Meanwhile, The Conference Board CEI for the US continued trending upwards, and its six-month growth rate remained stable. Taken together, the current behavior of the composite indexes and their components suggest continued growth—however modest—in the near term.

LEADING INDICATORS: Five of the 10 indicators that comprise ***The Conference Board Leading Economic Index®*** for the US increased in January. The positive contributors—beginning with the largest positive contributor—were average weekly initial claims for unemployment insurance (inverted), the interest rate spread, the Leading Credit Index™ (inverted), manufacturers' new orders for consumer goods and materials*, and building permits. The negative contributors—beginning with the largest negative contributor—were average weekly manufacturing hours, average consumer expectations for business conditions, S&P 500® Stock Index, and the ISM® New Orders Index. Manufacturers' new orders for nondefense capital goods excluding aircraft* held steady in January.

The LEI for the US decreased by 0.3% in January and now stands at 101.5 (2016=100). Based on revised data, this index increased by 0.1% in December and by 0.3% in November. Over the six-month span through January, the leading economic index decreased by 0.9%, with 6 out of 10 components advancing (diffusion index, six-month span equals 65%).

The next release is scheduled for March 20, 2025, Thursday at 10 A.M. ET

COINCIDENT INDICATORS: All 4 indicators that comprise ***The Conference Board Coincident Economic Index***® for the US increased in January. The largest positive contribution came from industrial production, followed by personal income less transfer payments*, manufacturing and trade sales*, and employees on nonagricultural payrolls.

The CEI increased by 0.3% in January and now stands at 114.3 (2016=100). Based on revised data, this index increased also by 0.3% in December and increased by 0.2% in November. During the six-month period through January the coincident economic index increased by 1.0%, with all components advancing (diffusion index, six-month span equals 100%).

LAGGING INDICATORS: ***The Conference Board Lagging Economic Index***® for the US increased by 0.5% in January and now stands at 119.3 (2016=100), with 3 of its 7 components advancing. The positive contributors to the index—beginning with the largest positive contributor—were the average duration of unemployment (inverted), the change in CPI for services, and commercial and industrial loans outstanding*. The negative contributors—beginning with the largest negative contributors—were the average prime rate charged by banks, change in the index of labor cost per unit of output, manufacturing*, and the ratio of consumer installment credit outstanding to personal income*. The ratio of manufacturing and trade inventories to sales* held steady in January. Based on revised data, the lagging economic index remained unchanged in December and increased by 0.3% in November.

DATA AVAILABILITY AND NOTES.

The data series used to compute **The Conference Board Leading Economic Index®** (LEI) for the US, **The Conference Board Coincident Economic Index®** (CEI) for the US and **The Conference Board Lagging Economic Index®** (LAG) for the US and reported in the tables in this release are those available "as of" 8:30 am ET on February 19, 2025. Some series are estimated as noted below.

* Series in The Conference Board LEI for the US 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 US 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 US 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 US.

For further information, contact:

Jonathan Liu 732-991-1754 / JLiu@tcb.org

Indicators Program:
Email: indicators@tcb.org
Website: 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 US have occurred before those in aggregate economic activity, while the cyclical turning points in The Conference Board CEI for the US have occurred at about the same time as those in aggregate economic activity. The cyclical turning points in The Conference Board LAG for the US generally have occurred after those in aggregate economic activity.

US Composite Economic Indexes: Components and Standardization Factors

Leading Economic Index		Factor
1	Average weekly hours, manufacturing	0.2464
2	Average weekly initial claims for unemployment insurance	0.0142
3	Manufacturers' new orders, consumer goods and materials	0.0777
4	ISM® New Orders Index	0.1657
5	Manufacturers' new orders, nondefense capital goods excl. aircraft	0.0472
6	Building permits, new private housing units	0.0301
7	S&P 500® Stock Index	0.0418
8	*Leading Credit Index™*	0.1012
9	Interest rate spread, 10-year Treasury bonds less federal funds	0.1200
10	Avg. consumer expectations for business conditions	0.1557
Coincident Economic Index		
1	Employees on nonagricultural payrolls	0.3265
2	Personal income less transfer payments	0.3120
3	Industrial production	0.1926
4	Manufacturing and trade sales	0.1689
Lagging Economic Index		
1	Inventories to sales ratio, manufacturing and trade	0.1222
2	Average duration of unemployment	0.0278
3	Consumer installment credit outstanding to personal income ratio	0.1136
4	Commercial and industrial loans	0.0913
5	Average prime rate	0.3525
6	Labor cost per unit of output, manufacturing	0.0522
7	Consumer price index for services	0.2404

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 2025, 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 US were calculated using May 1990-December 2023 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 2023. 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.

The trend adjustment factor for The Conference Board LEI for the US 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 US 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 US 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 US news release schedule for 2025**:**

Wednesday, January 22, 2025	For December 2024 data
Thursday, February 20, 2025	For January 2025 data
Thursday, March 20, 2025	For February 2025 data
Monday, April 21, 2025	For March 2025 data
Monday, May 19, 2025	For April 2025 data
Friday, June 20, 2025	For May 2025 data
Monday, July 21, 2025	For June 2025 data
Thursday, August 21, 2025	For July 2025 data
Thursday, September 18, 2025	For August 2025 data
Monday, October 20, 2025	For September 2025 data
Thursday, November 20, 2025	For October 2025 data
Thursday, December 18, 2025	For November 2025 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.

AVAILABLE FROM THE CONFERENCE BOARD

US Business Cycle Indicators Internet Subscription
(Includes historical data and charts)
$ 1,185 per year

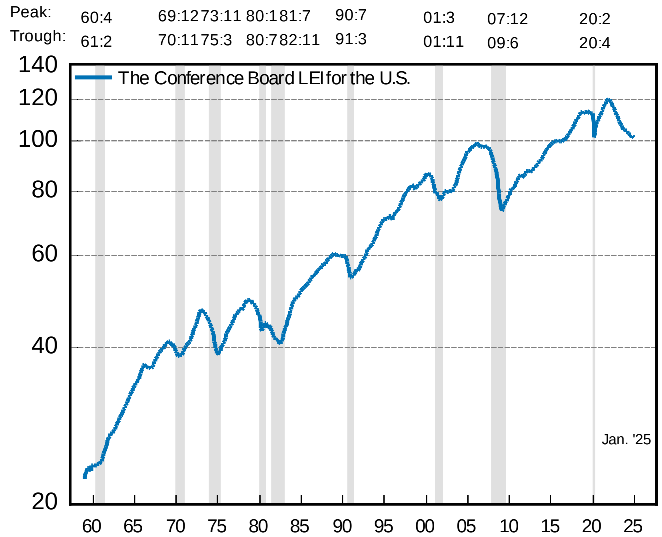
BCI Handbook (published 2001) PDF only – website download

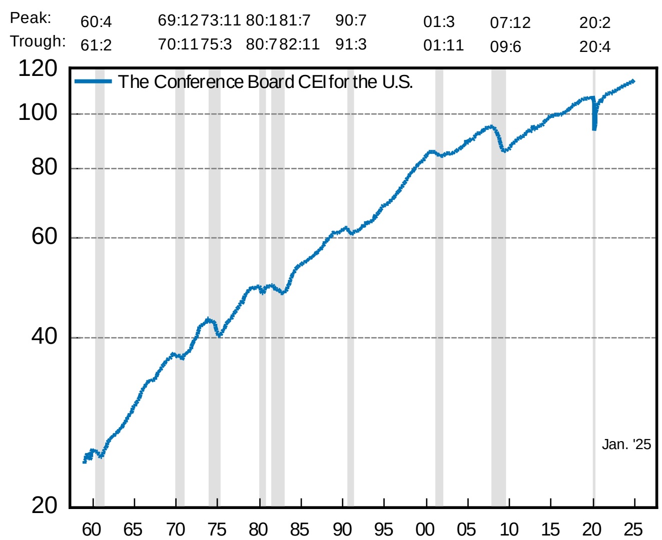
Understanding Business Cycles: The Indicators Approach to Forecasting for Agility:
https://www.conference-board.org/publications/publicationdetail.cfm?publicationid=2510

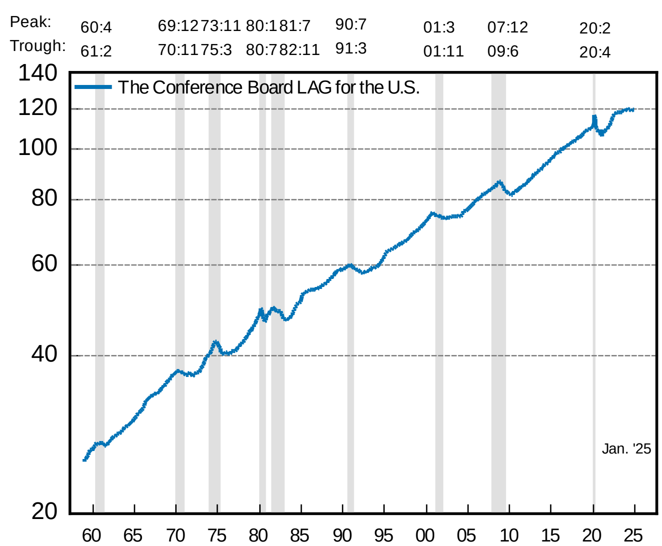
Business Cycle Indicators for Brazil, China, the Euro Area, France, Germany, India, Japan, South Korea, Mexico, Spain, the UK, and the US are available at $ 1,185 per country per year.

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

US Composite Economic Indexes (2016=100)







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