

FOR RELEASE: 10:00 A.M. ET, Friday, June 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 MAY 2025

The Conference Board Leading Economic Index® (LEI) for the US decreased by 0.1%,
The Conference Board Coincident Economic Index® (CEI) increased by 0.1%, and
The Conference Board Lagging Economic Index® (LAG) increased by 0.4% in May.

- The Conference Board LEI for the US inched down in May. Negative contributions from consumer expectations for business conditions, the ISM® New Orders Index, and building permits more than offset the large positive contribution from the S&P 500® Stock Index. Over the six-month period ending May 2025, the leading economic index decreased by –2.7% (about a –5.2% annual rate), more negative than the contraction of –1.4% (about a –2.7% annual rate) over the previous six months. In addition, the weaknesses among the leading indicators became more widespread, as only 2 out of 10 components advanced between November 2024 and May 2025.
- The Conference Board CEI for the US, a measure of current economic activity, edged up in May. The coincident economic index rose by 1.3% (about a 2.7% annual rate) between November and May 2025, more than twice the growth of 0.5% (about a 1.1% annual rate) over the previous six months. However, the strengths among the coincident indicators have remained very widespread, with all 4 components advancing over the past six months. The lagging economic index increased again, but at a higher pace than the CEI. As a result, the coincident-to-lagging ratio declined. Real GDP contracted at a –0.2% annual rate in the first quarter of the year, after increasing by 2.4% (annual rate) in Q4 2024.
- The Conference Board LEI for the US continued to decline; as a result, its six-month growth rate fell further into negative territory. Meanwhile, The Conference Board CEI for the US has been rising very slowly through May, with strengths widespread among its components. The current behavior of the composite indexes and their underlying components suggest that the expansion in economic activity will continue, but at a much slower pace than in 2024.

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

The LEI for the US decreased by 0.1% in May and now stands at 99.0 (2016=100). Based on revised data, this index decreased by 1.4% in April and by 0.7% in March. Over the six-month span ending

The next release is scheduled for July 21, 2025, Monday at 10 A.M. ET

May 2025, the leading economic index decreased by 2.7%, with 2 out of 10 components advancing (diffusion index, six-month span equals 20%).

COINCIDENT INDICATORS: Three of the 4 indicators that comprise *The Conference Board Coincident Economic Index*[®] for the US increased in May. The positive contributors to the index—beginning with the largest positive contributor—were personal income less transfer payments*, manufacturing and trade sales*, and employees on nonagricultural payrolls. The negative contributor was industrial production.

The CEI increased by 0.1% in May and now stands at 115.1 (2016=100). Based on revised data, this index increased by 0.2% in April and by 0.3% in March. Over the six-month period through May, the coincident economic index increased by 1.3%, with all 4 components advancing (diffusion index, six-month span equals 100%).

LAGGING INDICATORS: *The Conference Board Lagging Economic Index*[®] for the US increased by 0.4% in May and now stands at 119.6 (2016=100), with 4 of its 7 components advancing. The positive contributors to the index—beginning with the largest positive contributor—were the average duration of unemployment (inverted), commercial and industrial loans outstanding*, the ratio of consumer installment credit outstanding to personal income*, and the ratio of manufacturing and trade inventories to sales*. The negative contributor was the change in CPI for services. The change in the index of labor cost per unit of output, manufacturing* and the average prime rate charged by banks held steady in May. Based on revised data, the lagging economic index increased by 0.3% in April and decreased by 0.3% in March.

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 June 18, 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

<u>Leading Economic Index</u>		<u>Factor</u>
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	<i>Leading Credit Index</i> ™	0.1012
9	Interest rate spread, 10-year Treasury bonds less federal funds	0.1200
10	Avg. consumer expectations for business conditions	0.1557
<u>Coincident Economic Index</u>		
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
<u>Lagging Economic Index</u>		
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](https://www.conferenceboard.org).

AVAILABLE FROM THE CONFERENCE BOARD

US Business Cycle Indicators Internet Subscription

(Includes historical data and charts)

\$ 1,185 per year

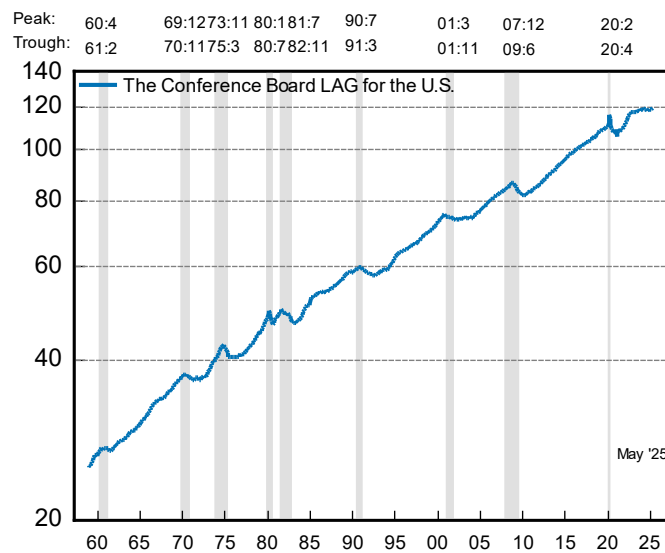
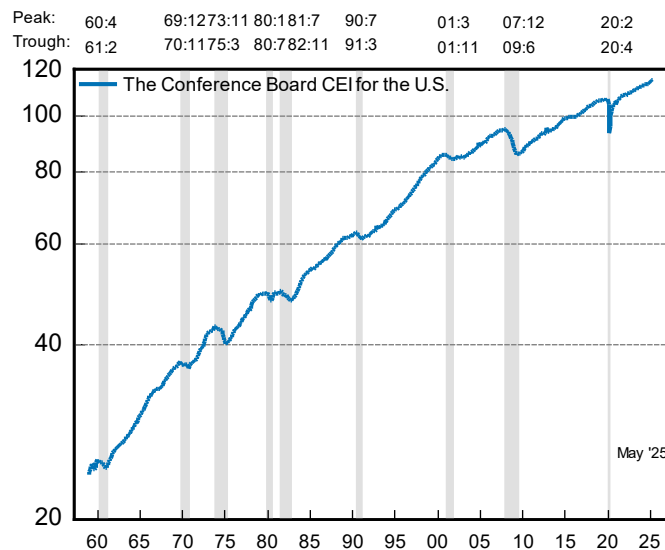
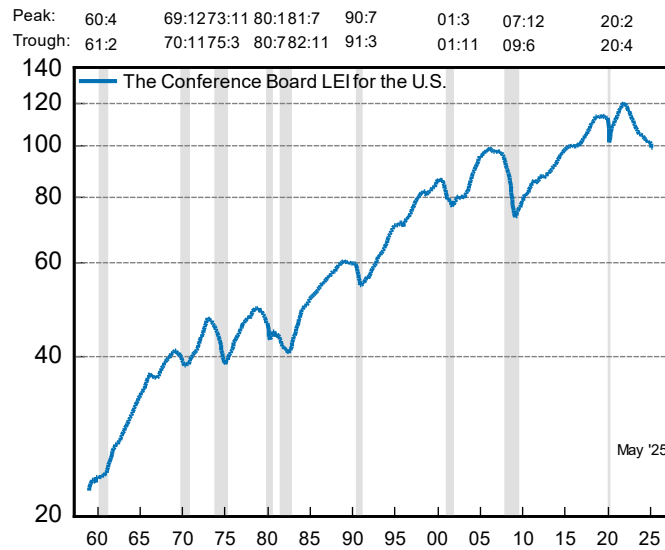
BCI Handbook (published 2001) PDF only – website download

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.

US Composite Economic Indexes (2016=100)



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

© The Conference Board 2025. 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. 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.