

News Release

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The Conference Board Leading Economic Index® (LEI) for the U.S. Declined in April

Widespread declines in leading indicators suggest no easy path to recovery

NEW YORK, May 21, 2020...The Conference Board Leading Economic Index® (LEI) for the U.S. declined 4.4 percent in April to 98.8 (2016 = 100), following a 7.4 percent decline in March, and a 0.2 percent decline in February.

“In April, the US LEI continued on a downward trajectory, after posting the largest decline in its 60-year history in March,” said Ataman Ozyildirim, Senior Director of Economic Research at The Conference Board. “The erosion has been very widespread, except for stock prices and the interest rate spread which partially reflect the rapid and large response of the Federal Reserve to offset the pandemic’s impact and support financial conditions. The sharp declines in the LEI and CEI suggest that the US economy is now in recession territory.”

“Business conditions may recover for some sectors and industries over the next few months,” added Bart van Ark, Chief Economist at The Conference Board, “But, the breadth and depth of the decline in the LEI suggests that an imminent re-opening of some sectors does not imply a fast rebound for the economy at large.”

The Conference Board Coincident Economic Index® (CEI) for the U.S. declined 8.9 percent in April to 96.6 (2016 = 100), following a 1.5 percent decline in March and a 0.3 percent increase in February.

The Conference Board Lagging Economic Index® (LAG) for the U.S. increased 4.1 percent in April to 115.3 (2016 = 100), following a 1.7 percent increase in March, and a 0.4 percent increase in February.

Summary Table of Composite Economic Indexes

	2020			6-month
	Feb	Mar	Apr	Oct to Apr
Leading Index	111.7	103.4	r 98.8	p
Percent Change	-0.2	-7.4	r -4.4	p -11.3
Diffusion	35.0	10.0	40.0	30.0
Coincident Index	107.6	106.0	r 96.6	p
Percent Change	0.3	-1.5	r -8.9	p -9.6
Diffusion	100.0	25.0	50.0	25.0
Lagging Index	109.0	r 110.8	r 115.3	p
Percent Change	0.4	r 1.7	r 4.1	p 6.3
Diffusion	50.0	64.3	57.1	57.1

p Preliminary r Revised

Indexes equal 100 in 2016

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
ISM® Index of New Orders
Manufacturers' new orders, nondefense capital goods excluding aircraft orders
Building permits, new private housing units
Stock prices, 500 common stocks
Leading Credit Index™
Interest rate spread, 10-year Treasury bonds less federal funds
Average consumer expectations for business conditions

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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