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

Slowing pace of improvement points to weakening growth in final months of 2020

NEW YORK, September 18, 2020...The Conference Board Leading Economic Index® (LEI) for the U.S. increased 1.2 percent in August to 106.5 (2016 = 100), following a 2.0 percent increase in July and a 3.1 percent increase in June.

“While the US LEI increased again in August, the slowing pace of improvement suggests that this summer’s economic rebound may be losing steam heading into the final stretch of 2020,” said Ataman Ozyildirim, Senior Director of Economic Research at The Conference Board. “Despite the improvement, the LEI remains in recession territory, still 4.7 percent below its February level. Weakening in new orders for capital goods, residential construction, consumers’ outlook, and financial conditions point to increasing downside risks to the economic recovery. Looking ahead to 2021, the LEI suggests that the US economy will start the new year under substantially weakened economic conditions.”

The Conference Board Coincident Economic Index® (CEI) for the U.S. increased 0.6 percent in August to 100.8 (2016 = 100), following a 1.2 percent increase in July and a 3.9 percent increase in June.

The Conference Board Lagging Economic Index® (LAG) for the U.S. decreased 0.6 percent in August to 107.6 (2016 = 100), following a 0.6 percent decrease in July and a 3.5 percent decrease in June.
The Conference Board Leading Economic Index® (LEI) for the U.S. Remains in Recession Territory in August

The Conference Board Leading Economic Index® (LEI) for the United States
The Conference Board Coincident Economic Index® (CEI) for the United States

LEI
CEI

Aug '20

Latest LEI Trough March 2009, Latest CEI Trough June 2009
Shaded areas represent recessions as determined by the NBER Business Cycle Dating Committee.
Source: The Conference Board
<table>
<thead>
<tr>
<th>Summary Table of Composite Economic Indexes</th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jun</td>
<td>Jul</td>
<td>Aug</td>
</tr>
<tr>
<td>Leading Index</td>
<td>103.1</td>
<td>r 105.2</td>
<td>r 106.5 p</td>
</tr>
<tr>
<td>Percent Change</td>
<td>3.1 r</td>
<td>2.0 r</td>
<td>1.2 p -4.7</td>
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<tr>
<td>Diffusion</td>
<td>80</td>
<td>80</td>
<td>50</td>
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<tr>
<td>Coincident Index</td>
<td>99.0 r</td>
<td>100.2 r</td>
<td>100.8 p</td>
</tr>
<tr>
<td>Percent Change</td>
<td>3.9 r</td>
<td>1.2 p</td>
<td>0.6 0 -6.4</td>
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<tr>
<td>Diffusion</td>
<td>100</td>
<td>75</td>
<td>75</td>
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<tr>
<td>Lagging Index</td>
<td>108.9 r</td>
<td>108.2 r</td>
<td>107.6 p</td>
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<tr>
<td>Percent Change</td>
<td>-3.5 r</td>
<td>-0.6 r</td>
<td>-0.6 p -1.3</td>
</tr>
<tr>
<td>Diffusion</td>
<td>35.7</td>
<td>42.9</td>
<td>35.7</td>
</tr>
</tbody>
</table>

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 more information about The Conference Board global business cycle indicators: [http://www.conference-board.org/data/bci.cfm](http://www.conference-board.org/data/bci.cfm)

**About The Conference Board**
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