THE CONFERENCE BOARD

News Release

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Using the Composite Indexes: *The* Leading Economic Index (LEI) *provides an early indication of significant turning points in the business cycle and where the economy is heading in the near term. The* Coincident Economic Index (CEI) *provides an indication of the current state of the economy. Additional details are below.*

The Conference Board Leading Economic Index® (LEI) for the US Continued to Decline in December

The Conference Board Leading Economic Index® (LEI) for the US declined by 0.2% in December 2025 to 97.6 (2016=100), following a 0.3% decline in November and a downwardly revised 0.2% decline in October. Overall, the LEI fell by 1.2% over the second half of 2025, a substantial improvement from its 2.8% contraction over the first half of 2025.

"The US LEI registered its fifth consecutive monthly decline in December, indicating continued softness in the economy in early 2026," said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board.** "Alongside a rise in building permits, positive contributions to the LEI in December were led by the index's financial components, with the yield spread notably turning positive in both November and December.

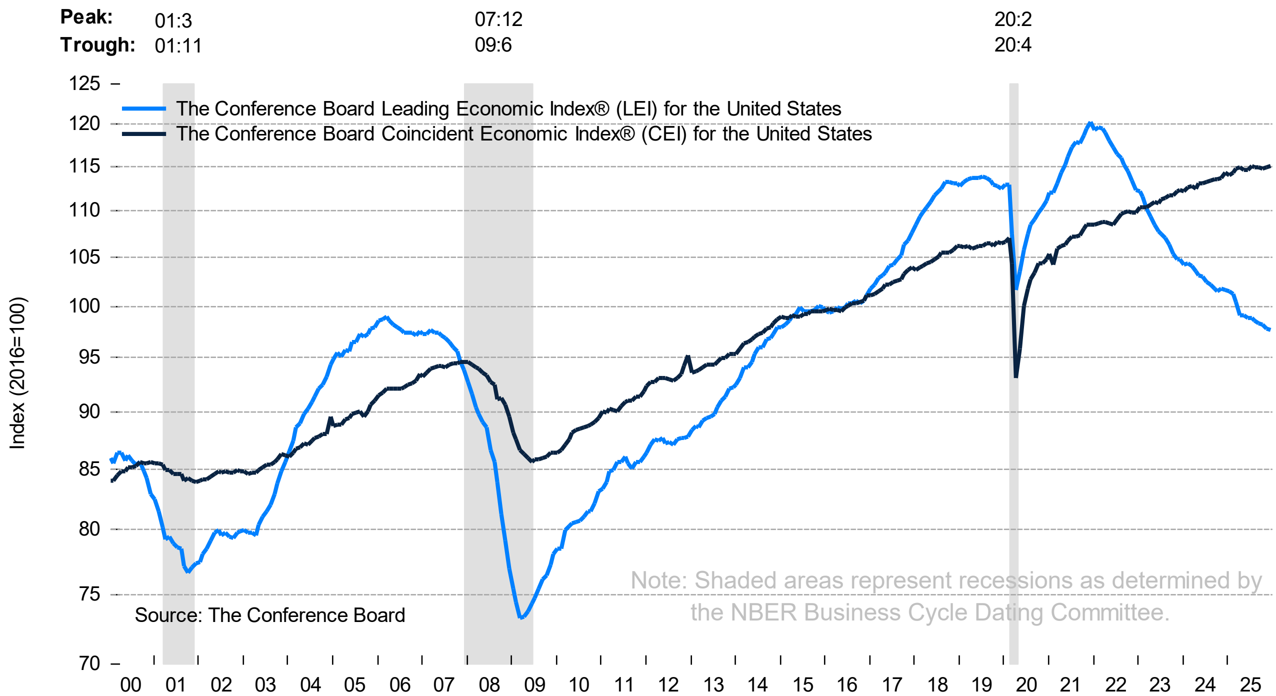
"However, persistently weak consumer expectations indicators and the ISM® New Orders Index made the largest negative contributions to the LEI in December. Labor market data also weighed on the Index, with an increase in unemployment claims and a decline in average weekly hours in manufacturing. Overall, the LEI signals weaker economic activity at the start of this year. The Conference Board projects a slowdown in growth in Q4 2025 and early 2026, with GDP set to expand by 2.1% YOY in 2026, from a forecasted 2.2% in 2025."

The Conference Board Coincident Economic Index® (CEI) for the US rose by 0.2% in December 2025 to 115.0 (2016=100), after a downwardly revised increase of 0.1% in November. Overall, the CEI expanded by 0.3% over the second half of 2025, slightly down from its 0.4% increase over the first half of last year. The CEI's four component indicators—payroll employment, personal income less transfer payments, manufacturing and trade sales, and industrial production—are included among the data used to determine recessions in the US. Nearly all improved in December, but personal income less transfer payments and manufacturing and trade sales were estimated for the month.

The Conference Board Lagging Economic Index® (LAG) for the US inched down by 0.1% to 119.6 (2016=100) in December 2025, reversing a 0.1% increase in November. The LAG was unchanged in H2 2025, significantly down from the 1.2% increase over the previous six months (H1 2025).

The next release will be announced at later date based on data releases from Census Bureau.

The LEI continued to decline in December

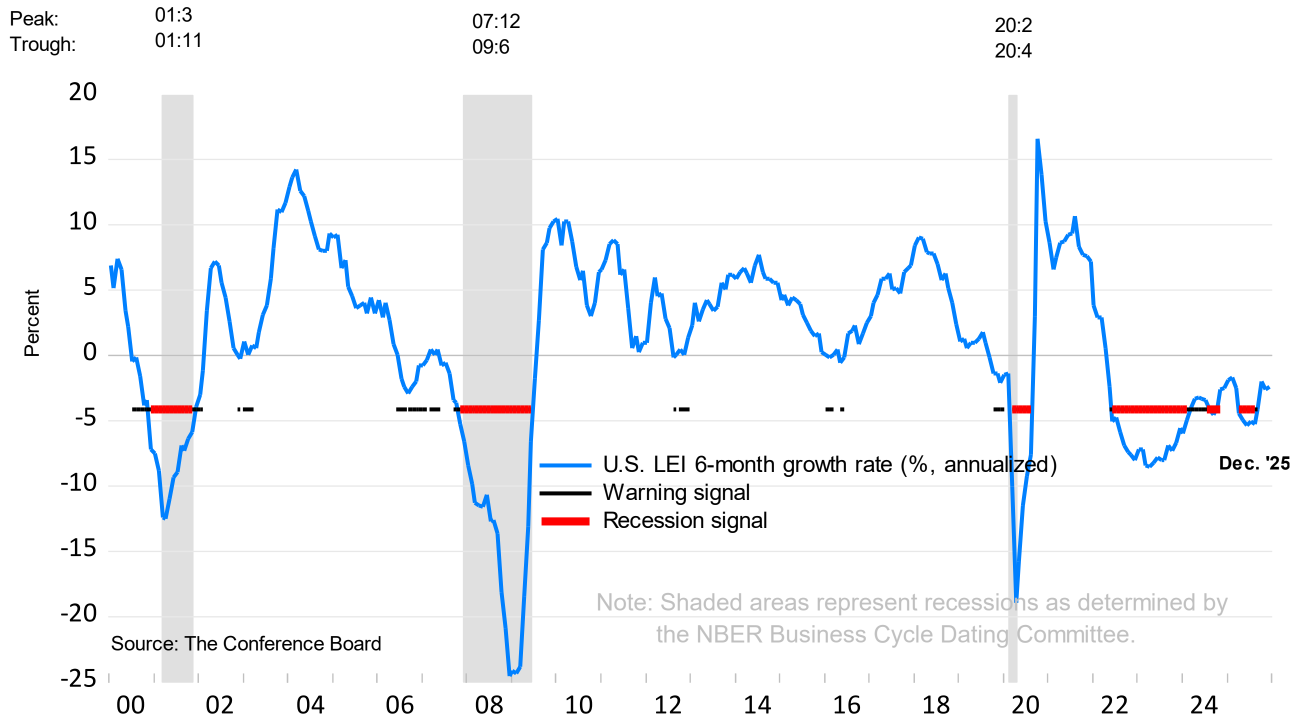


Consumer expectations and new orders continued to weigh heavily on the LEI

The Conference Board Leading Economic Index® and Component Contributions (Percent)

Source: The Conference Board
* Inverted series; a negative change in this component makes a positive contribution.
** Statistical Imputation
LEI change might not equal sum of its contribiutins due to application of trend adjustment factor

The LEI's six-month growth rate is less negative and has not triggered the recession signal since August



NOTE: The chart illustrates the so-called **3Ds—duration, depth, and diffusion**—for interpreting a downward movement in the LEI. **Duration** refers to how long the decline has lasted. **Depth** denotes the size of decline. Duration and depth are measured by the rate of change of the index over the most recent six months at an annualized rate. **Diffusion** is a measure of how widespread the decline is among the LEI's component indicators—on a scale of 0 to 100, a **diffusion index** reading below 50 indicates most components are weakening.

The **3Ds rule** signals an impending recession when: 1) the six-month diffusion index lies at or below 50, shown by the black warning signal lines in the chart; and 2) the LEI's six-month growth rate (annualized) falls below the threshold of −4.3%. The **red recession signal lines** indicate months when both criteria are met simultaneously—and thus that a recession is likely imminent or underway.

Summary Table of Composite Economic Indexes

	2025						6-Month
	October		November		December		Jun to Dec
Leading Index	98.1	*r*	97.8	*r*	97.6	*p*	
Percent Change	-0.2	*r*	-0.3		-0.2		-1.2
Diffusion	50.0		70.0		60.0		80.0
Coincident Index	114.7		114.8	*r*	115.0	*p*	
Percent Change	-0.1		0.1	*r*	0.2		0.3
Diffusion	37.5		87.5		87.5		87.5
Lagging Index	119.6		119.7		119.6	*p*	
Percent Change	0.0	*r*	0.1		-0.1		0.0
Diffusion	35.7		42.9		42.9		14.3

p Preliminary *r* Revised *c* Corrected
Indexes equal 100 in 2016

Source: The Conference Board

About The Conference Board *Leading Economic Index®* (LEI) and *Coincident Economic Index®* (CEI) for the US

The composite economic indexes are key elements in an analytic system designed to signal peaks and troughs in the business cycle. Comprised of multiple independent indicators, 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 reflects current economic conditions and is highly correlated with real GDP. The LEI is a predictive tool that anticipates—or "leads"—turning points in the business cycle by around seven months.

The ten components of the ***Leading Economic Index®* for the US** are:

- 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

The four components of the ***Coincident Economic Index®* for the US** are:

- Payroll employment
- Personal income less transfer payments
- Manufacturing and trade sales
- Industrial production

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

About The Conference Board

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