

News You Can Use

An Introduction to Chicago Fed Activity Indexes



The Chicago Fed Survey of Business Conditions (CFSBC)

Survey conducted **eight** times per year released at chicagofed.org/cfsbc

- Described in Brave and Walstrum (2014, 2015)
- Over 900 business contacts from a wide variety of industries
- Average response rate of approx. 11% (72% repeat responders)
- About equal percentage from Goods and Service industries
- Covers activity, hiring, capital spending, wage and nonwage costs

Ex: *In the past four to six weeks, demand for my products/services has...*

- *increased substantially.*
- *increased moderately.*
 - *increased slightly.*
 - *not changed.*
 - *decreased slightly.*
- *decreased moderately.*
- *decreased substantially.*



Interpreting the CFSBC Diffusion Indexes

Designed to capture changes in the direction of activity

To make comparable with CFNAI/MEI, we adjust (demean) *by respondent*

$$100 * \frac{\#Above\ Average\ Responses - \#Below\ Average\ Responses}{\#Responses}$$

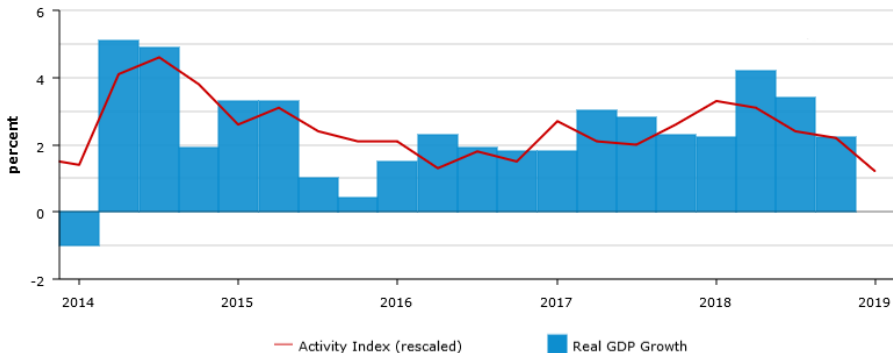
Interpretation:

- Positive value indicates majority reporting *above-average* growth
- Negative value indicates majority reporting *below-average* growth

Ex: If *on average* someone says demand increases slightly, we consider only moderate and significant increases in demand as positive.



CFSBC Activity Index



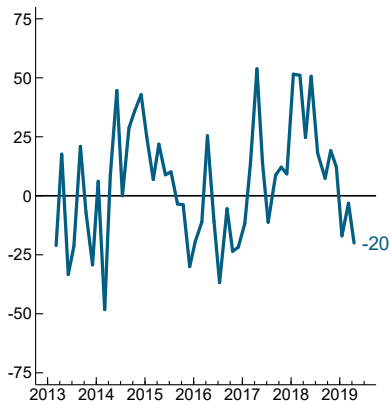
Note: Average real gross domestic product (GDP) growth over the reporting range is 2.4 percent.

Source: GDP data from the U.S. Bureau of Economic Analysis from Haver Analytics.

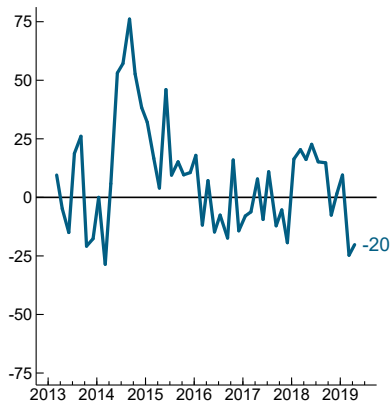
Can the CFSBC Activity Index Nowcast U.S. Real GDP Growth?

CFSBC Manufacturing vs. Nonmanufacturing Industries

Manufacturing

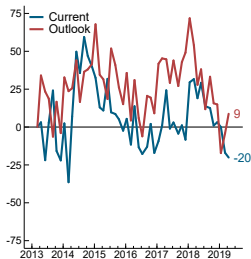


Nonmanufacturing

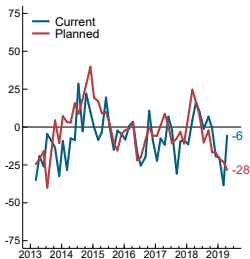


CFSBC Outlook and Current and Planned Hiring

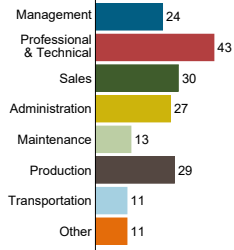
Activity



Hiring



Occupations (%)

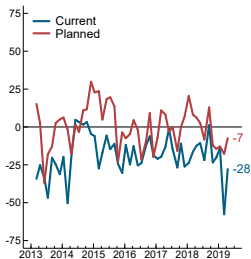


FAQs

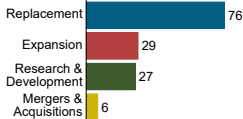


CFSBC Current and Planned Capital Spending

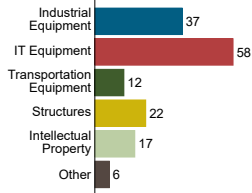
Capital Spending



Spending for (%)



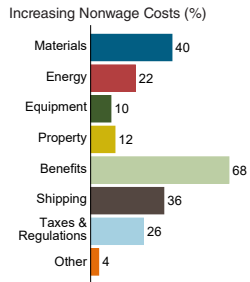
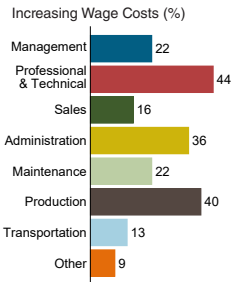
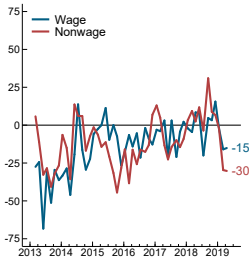
Spending on (%)



FAQs

CFSBC Wage and Nonwage Cost Pressures

Cost Pressures



FAQs

Additional information available at chicagofed.org/research/data/index

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