

# News You Can Use

## An Introduction to Chicago Fed Indexes



## The Chicago Fed Survey of Business Conditions (CFSBC)

Survey conducted **eight** times per year released at [chicagofed.org/cfsbc](http://chicagofed.org/cfsbc)

- Described in Brave and Walstrum ([2014](#), [2015](#))
- Over 800 business contacts from a wide variety of industries
- Average response rate of approx. 15% (many repeat responders)
- 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*

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

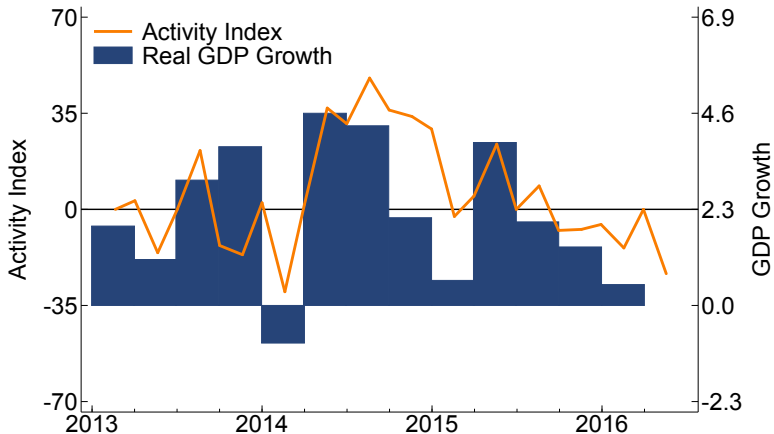
Interpretation:

- 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.



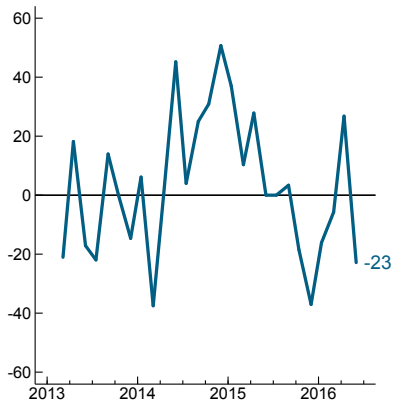
## CFSBC vs. U.S. GDP Growth



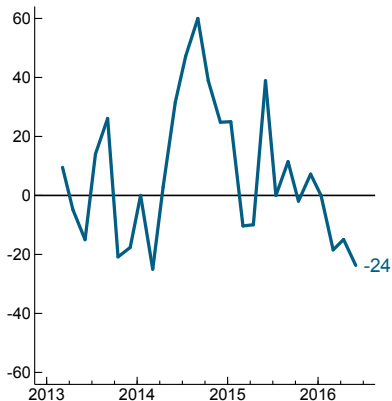
Note: Average real gross domestic product (GDP) growth over the reporting range is 2.3 percent.  
 Source: GDP data from the U.S. Bureau of Economic Analysis from Haver Analytics.

## CFSBC Manufacturing vs. Nonmanufacturing Industries

Manufacturing

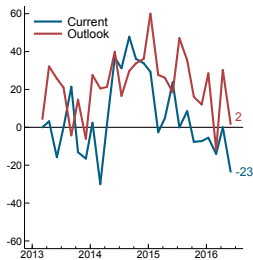


Nonmanufacturing

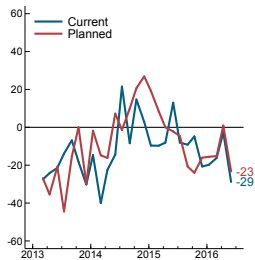


# CFSBC Outlook and Current and Planned Hiring

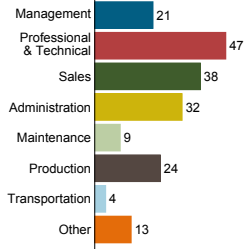
## Activity



## Hiring

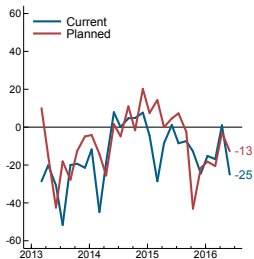


## Occupations (%)

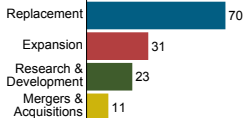


# CFSBC Current and Planned Capital Spending

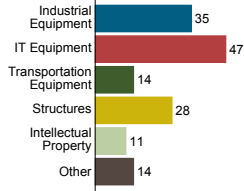
## Capital Spending



### Spending for (%)

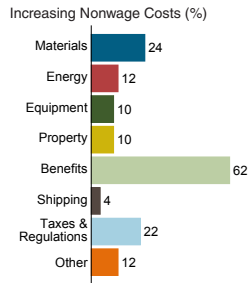
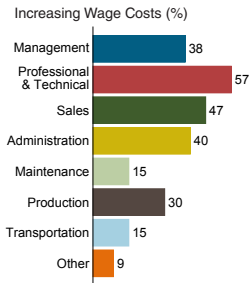


### Spending on (%)



# CFSBC Wage and Nonwage Cost Pressures

## Cost Pressures





Additional information available at [chicagofed.org/research/data/index](https://chicagofed.org/research/data/index)

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