What is the National Activity Index? 
The index is a weighted average of 85 indicators of growth in national economic activity drawn from four broad categories of data: 1) production and income; 2) employment, unemployment, and hours; 3) personal consumption and housing; and 4) sales, orders, and inventories.

Why are there three index values? 
Each month, we provide a monthly index (the CFNAI), its three-month moving average, and a diffusion index. Month-to-month movements can be volatile, so the monthly index’s three-month moving average, the CFNAI-MA3, provides a more consistent picture of national economic growth. The CFNAI Diffusion Index instead captures the degree to which a change in the monthly index is spread out among its 85 indicators, averaged over a three-month period.

What do the numbers mean? 
A zero value for the monthly index has been associated with the national economy expanding at its historical trend (average) rate of growth; negative values with below-average growth (in standard deviation units); and positive values with above-average growth.

Periods of economic expansion have historically been associated with values of the CFNAI-MA3 above –0.70 and the CFNAI Diffusion Index above –0.35. Conversely, periods of economic contraction have historically been associated with values of the CFNAI-MA3 below –0.70 and the CFNAI Diffusion Index below –0.35.

An increasing likelihood of a period of sustained increasing inflation has historically been associated with values of the CFNAI-MA3 above +0.70 more than two years into an economic expansion. Similarly, a substantial likelihood of a period of sustained increasing inflation has historically been associated with values of the CFNAI-MA3 above +1.00 more than two years into an economic expansion.

The next CFNAI will be released: 
August 24, 2023
8:30 am Eastern Time
7:30 am Central Time

The Chicago Fed National Activity Index (CFNAI) edged down to –0.32 in June from –0.28 in May. Three of the four broad categories of indicators used to construct the index decreased from May, and three of the four categories made negative contributions in June. The index’s three-month moving average, CFNAI-MA3, increased to –0.16 in June from –0.21 in May.

The CFNAI Diffusion Index, which is also a three-month moving average, moved up to –0.12 in June from –0.17 in May. Thirty-one of the 85 individual indicators made positive contributions to the CFNAI in June, while 54 made negative contributions. Thirty-three indicators improved from May to June, while 51 indicators deteriorated and one was unchanged. Of the indicators that improved, 13 made negative contributions.
Production-related indicators contributed –0.27 to the CFNAI in June, down from –0.20 in May. Manufacturing production decreased 0.3 percent in June after moving down 0.2 percent in the previous month. The contribution of the sales, orders, and inventories category to the CFNAI edged down to –0.05 in June from –0.01 in May.

Employment-related indicators contributed +0.03 to the CFNAI in June, up from –0.06 in May. The unemployment rate decreased to 3.6 percent in June from 3.7 percent in the previous month. The contribution of the personal consumption and housing category to the CFNAI decreased to –0.02 in June from –0.01 in May.

The CFNAI was constructed using data available as of July 20, 2023. At that time, June data for 51 of the 85 indicators had been published. For all missing data, estimates were used in constructing the index.

Notes: Shading indicates official periods of recession as identified by the National Bureau of Economic Research. Following a period of economic expansion, an increasing likelihood of a recession has historically been associated with a CFNAI-MA3 value below –0.70. Conversely, following a period of economic contraction, an increasing likelihood of an expansion has historically been associated with a CFNAI-MA3 value above +0.20.

Notes: Shading represents periods of sustained increasing inflation; the vertical line indicates the start of the most recent period. For details on the timing of these periods based on readings of core inflation (which excludes food and energy prices), see pp. 4–5 of the background information document. An increasing likelihood of a period of sustained increasing inflation has historically been associated with values of the CFNAI-MA3 above +0.70 more than two years into an economic expansion. Similarly, a substantial likelihood of a period of sustained increasing inflation has historically been associated with values of the CFNAI-MA3 above +1.00 more than two years into an economic expansion.

Notes: Shading indicates official periods of recession as identified by the National Bureau of Economic Research. Following a period of economic expansion, an increasing likelihood of a recession has historically been associated with a CFNAI-MA3 value below –0.70. Conversely, following a period of economic contraction, an increasing likelihood of an expansion has historically been associated with a CFNAI-MA3 value above +0.20.

Notes: Shading indicates official periods of recession as identified by the National Bureau of Economic Research. The CFNAI Diffusion Index represents the three-month moving average of the sum of the absolute values of the weights for the underlying indicators whose contribution to the CFNAI is positive in a given month less the sum of the absolute values of the weights for those indicators whose contribution is negative or neutral in a given month. Periods of economic expansion have historically been associated with values of the CFNAI Diffusion Index above +0.35.

CFNAI release dates, historical data, and background information are available at chicagofed.org/cfnai.