The monthly CFNAI index, a weighted average of 85 indicators of national economic activity, is constructed to have an average value of zero and a standard deviation of one. A zero value for the index indicates that the national economy is expanding at its historical trend rate of growth; negative values are associated with below-trend growth, while positive values indicate above-trend growth. Month-to-month movements in the CFNAI can be volatile, so a three-month moving average version, the CFNAI-MA3, provides a more consistent picture of national economic growth. The 85 economic indicators that comprise the CFNAI are 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.

The next CFNAI will be released:
December 21, 2004
10:00 am Eastern Time
9:00 am Central Time

FEDERAL RESERVE BANK
OF CHICAGO
Interpreting the CFNAI-MA3

- If CFNAI-MA3 > +1.00 more than two years into an economic expansion…
- If CFNAI-MA3 > +0.70 more than two years into an economic expansion…
- If CFNAI-MA3 > +0.20 following a period of economic contraction…
- If CFNAI-MA3 < –0.70 following a period of economic expansion…

Substantial likelihood that a period of sustained accelerating inflation has begun.
Increasing likelihood that a period of sustained accelerating inflation has begun.
Significant likelihood that a recession has ended.
Increasing likelihood that a recession has begun.