The Chicago Fed Survey of Business Conditions (CFSBC) Activity Index decreased to +8 in September from +20 in August, suggesting that economic growth was near trend. The CFSBC Manufacturing Activity Index fell to +43 in September from +60 in August, and the CFSBC Nonmanufacturing Activity Index moved down to –10 in September from –2 in the previous month.

- Respondents’ outlooks for the U.S. economy for the next 12 months deteriorated, but remained optimistic on balance. Thirty-seven percent of respondents expected an increase in economic activity over the next three months, and 46 percent expected activity to return to its pre-pandemic level by the end of 2021.
- The pace of current hiring increased, as did respondents’ expectations for the pace of hiring over the next 12 months. The hiring index remained negative, but the hiring expectations index moved into positive territory.
- Respondents’ expectations for the pace of capital spending over the next 12 months decreased, but the capital spending expectations index remained positive.
- The labor cost pressures index increased, as did the nonlabor cost pressures index. Both cost pressures indexes remained negative.

### Activity Indexes: Overall and by Sector

For additional information, contact Thomas Walstrum at thomas.walstrum@chi.frb.org or visit chicagofed.org/cfsbc.
Notes: Positive readings of the current activity, hiring, and labor and nonlabor cost pressures indexes indicate that more respondents reported above-average growth at their respective firms than below-average growth in current activity, hiring, and labor and nonlabor cost pressures. Positive readings of the planned hiring and capital spending indexes indicate similar outcomes for questions pertaining to expectations for hiring and capital spending in the next 12 months. Positive readings of the outlook index indicate more respondents reported above-average outlooks for the U.S. economy over the next 12 months than below-average ones. The bar charts report the percentage of responses indicating increased employment by skill type; purchases of new capital by purpose and type; and increased unit labor and nonlabor costs by type. The numbers may add up to more than 100 percent because more than one option can be chosen. In late 2019, the underlying survey questions on cost pressures were changed to focus on labor and nonlabor costs instead of wage and nonwage costs. The results based on this change were first reported in the November 27, 2019, release.