

News You Can Use

An Introduction to Chicago Fed Activity Indexes



The Chicago Fed Survey of Business Conditions (CFSBC)

Survey conducted 12 times per year released at 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. 10% (75% repeat responders)
- About equal percentage from goods and services industries
- Covers activity, hiring, capital spending, labor and nonlabor costs

Ex: *How did demand for your firm's goods or services change?*

- Large increase
- Medium increase
- Small increase
- No change
- Small decrease
- Medium decrease
- Large decrease



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*

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

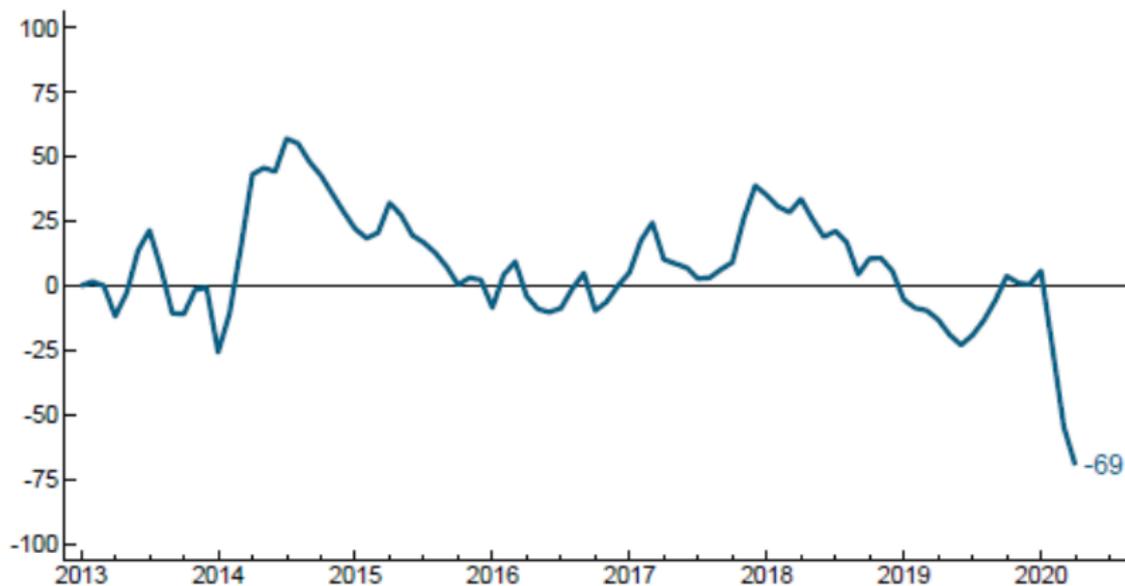
Interpretation:

- 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.

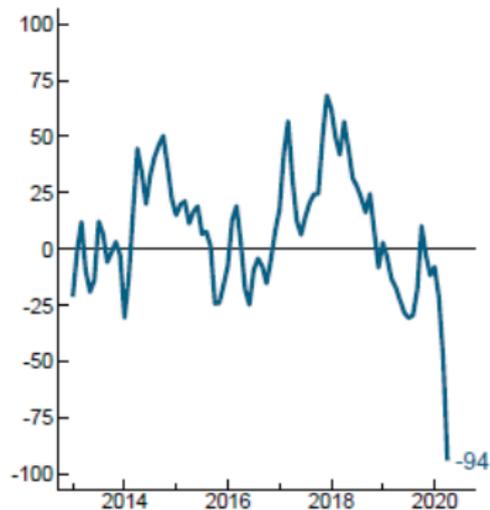


CFSBC Activity Index

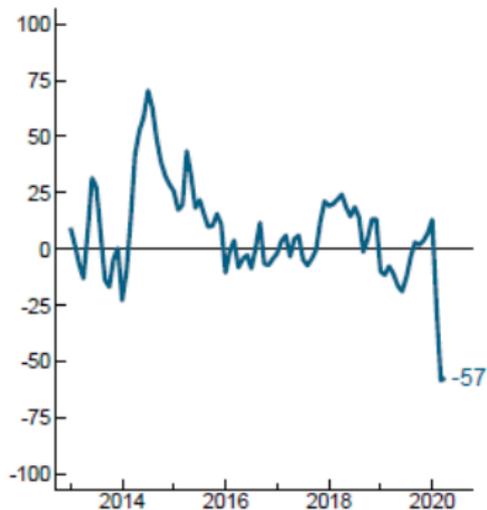


CFSBC Manufacturing vs. Nonmanufacturing Industries

Manufacturing



Nonmanufacturing

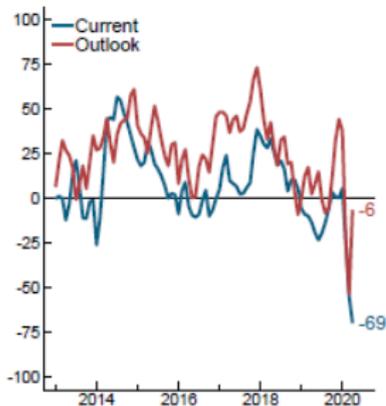


FAQs

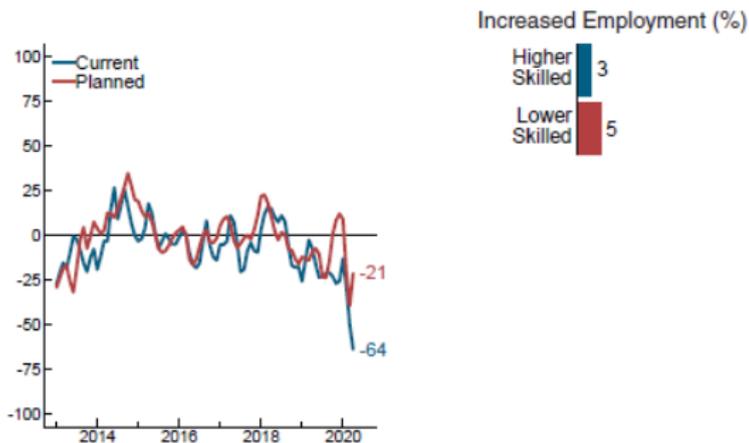


CFSBC Outlook and Current and Planned Hiring

Activity



Hiring

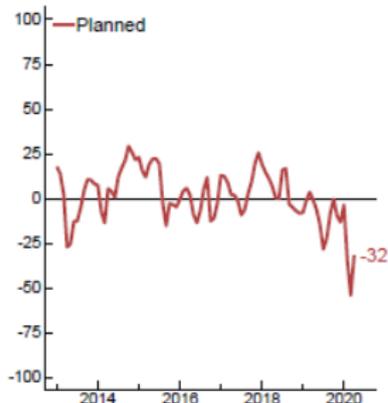


FAQs

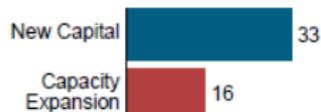


CFSBC Current Capital Spending

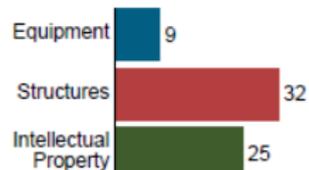
Capital Spending



Current Spending for (%)



Spending on (%)

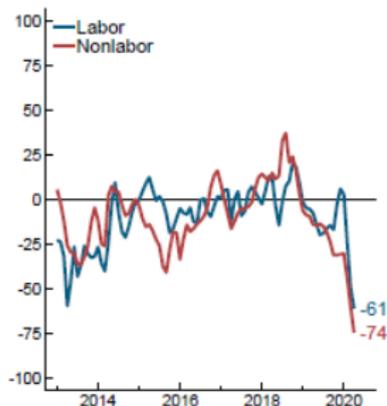


FAQs

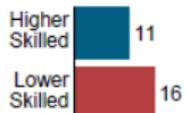


CFSBC Labor and Nonlabor Cost Pressures

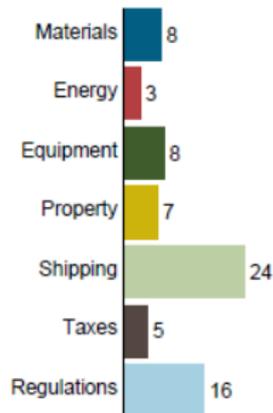
Cost Pressures



Increased Labor Costs (%)



Increased Nonlabor Costs (%)



FAQs

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

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