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

• Described in Brave and Walstrum (2014, 2015)
• Over 900 business contacts from a wide variety of industries
• Average response rate of approx. 9% (75% repeat responders)
• About equal percentage from Goods and Service industries
• 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

\[
100 \times \frac{\#\text{Above Average Responses} - \#\text{Below Average Responses}}{\#\text{Responses}}
\]

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

Note: Average real gross domestic product (GDP) growth over the reporting range is 2.2 percent.
Source: GDP data from the U.S. Bureau of Economic Analysis from Haver Analytics.
CFSBC Manufacturing vs. Nonmanufacturing Industries
CFSBC Outlook and Current and Planned Hiring

FAQs
CFSBC Current and Planned Capital Spending

FAQs
CFSBC Wage and Nonwage Cost Pressures

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

Contacts:
Laura LaBarbera
Media Relations
Federal Reserve Bank of Chicago
312-322-2387

Scott Brave
Economic Research
Federal Reserve Bank of Chicago
312-322-5784
sbrave@frbchi.org