

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*

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

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



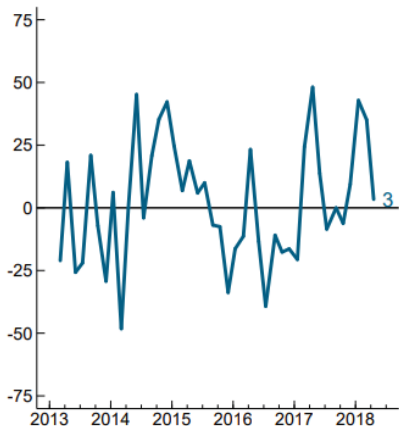
Note: Average real gross domestic product (GDP) growth over the reporting range is 2.2 percent.

Source: GDP data from the U.S. Bureau of Economic Analysis from Haver Analytics.

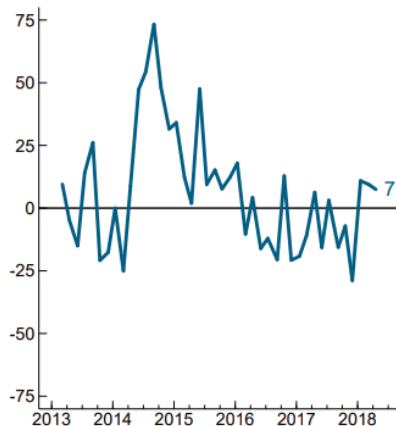


CFSBC Manufacturing vs. Nonmanufacturing Industries

Manufacturing

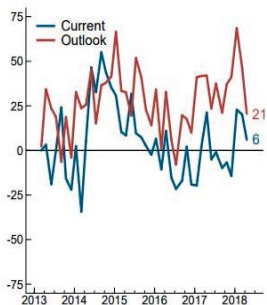


Nonmanufacturing

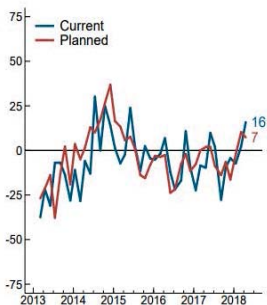


CFSBC Outlook and Current and Planned Hiring

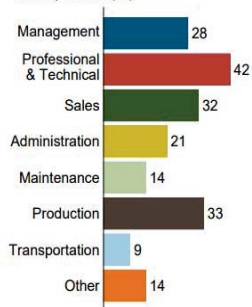
Activity



Hiring

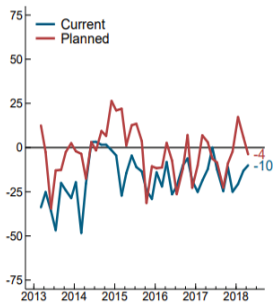


Occupations (%)

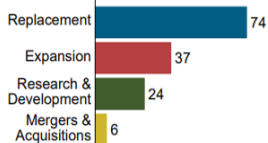


CFSBC Current and Planned Capital Spending

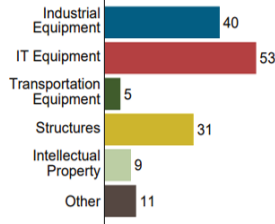
Capital Spending



Spending for (%)



Spending on (%)

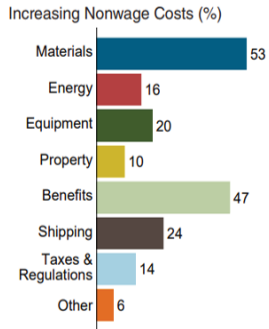
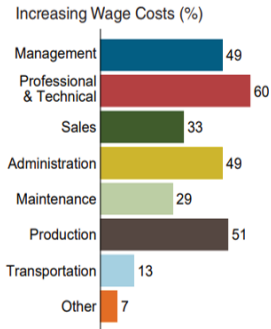
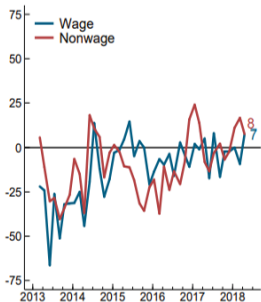


FAQs



CFSBC Wage and Nonwage Cost Pressures

Cost Pressures



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

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