The Conference Board Leading Economic Index® (LEI) for the US Declines in August

Updated 18 September 2025

Using the Composite Indexes: *The* Leading Economic Index (LEI) *provides an early indication of significant turning points in the business cycle and where the economy is heading in the near term. The* Coincident Economic Index (CEI) *provides an indication of the current state of the economy. Additional details are below.*

The Conference Board Leading Economic Index® (LEI) for the US declined by 0.5% in August 2025 to 98.4 (2016=100), after a small 0.1% increase in July (upwardly revised from an originally reported 0.1% decline). The LEI fell by 2.8% over the six months between February and August 2025, a faster rate of decline than its 0.9% contraction over the previous six-month period (August 2024 to February 2025).

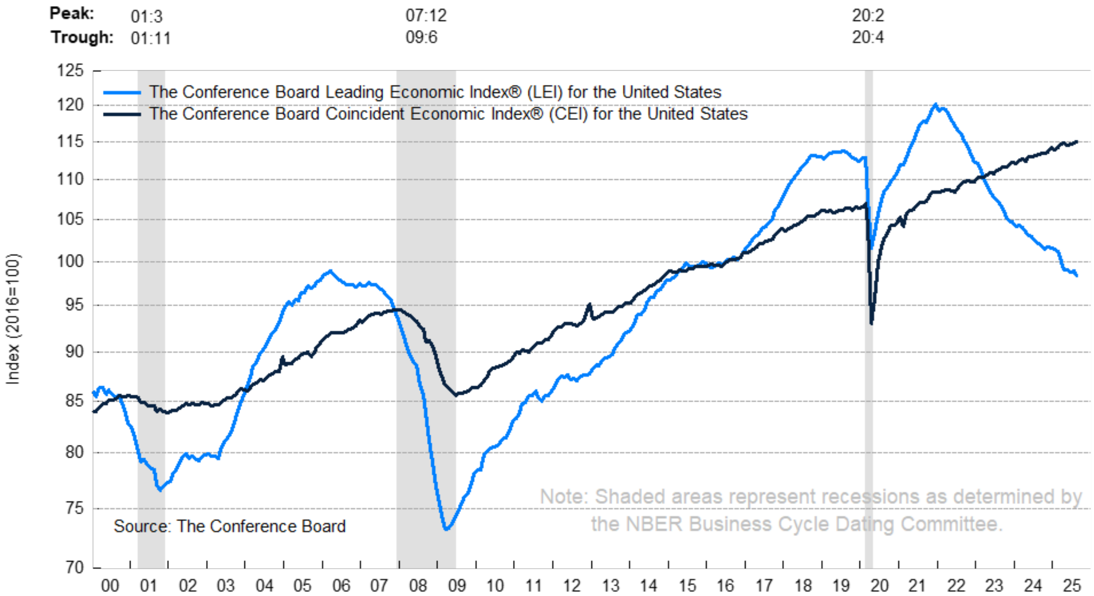
“In August, the US LEI registered its largest monthly decline since April 2025, signaling more headwinds ahead,” said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board.** “Among its components, only stock prices and the Leading Credit Index supported the LEI in August and over the past six months. Meanwhile, the contribution of the yield spread turned slightly negative for the first time since April.

“Besides persistently weak manufacturing new orders and consumer expectation indicators, labor market developments also weighed on the Index with an increase in unemployment claims and a decline in average weekly hours in manufacturing. Overall, the LEI suggests that economic activity will continue to slow. A major driver of this slowdown has been higher tariffs, which already trimmed growth in H1 2025 and will continue to be a drag on GDP growth in the second half of this year and in H1 2026. The Conference Board, while not forecasting recession currently, expects GDP to grow by only 1.6% in 2025, a substantial slowdown from 2.8% in 2024.”

The Conference Board Coincident Economic Index® (CEI) for the US rose by 0.2% in August 2025 to 115.0 (2016=100), following an increase of 0.1% in both June and July. Overall, the CEI rose by 0.6% between February and August 2025, down from 0.9% over the previous six months. The CEI’s four component indicators—payroll employment, personal income less transfer payments, manufacturing and trade sales, and industrial production—are included among the data used to determine recessions in the US. All components of the coincident index improved only slightly in August, with payroll employment making a neutral contribution to the CEI.

The Conference Board Lagging Economic Index® (LAG) for the US inched up by 0.1% to 120.0 (2016=100) in August 2025, after being unchanged in both June and July 2025. The LAG grew by 0.7% in the six months between February and August 2025, over twice as high as the 0.3% increase over the previous six months.

The LEI resumed its decline in August



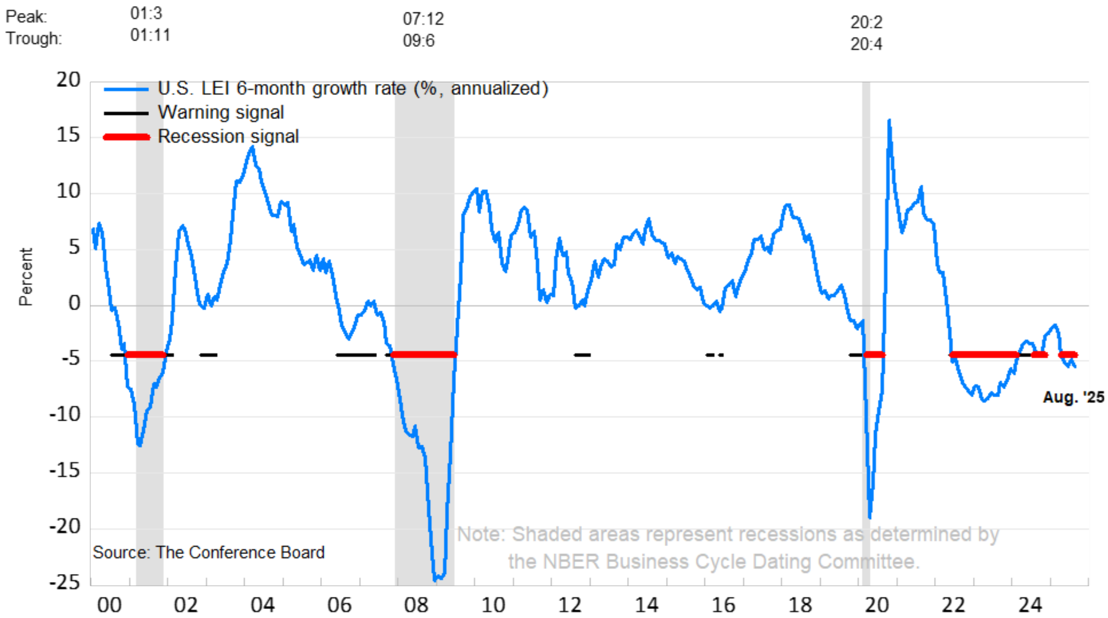
Most non-financial components and the yield spread drove the LEI's decline in August

The Conference Board Leading Economic Index® and Component Contributions (Percent)

		Aug. '25	6 months ending in Aug. '25
Financial Components	Leading Credit Index™*	0.05	0.21
	S&P 500® Stock Index	0.07	0.24
	Interest Rate Spread, 10-year T-bonds less Fed Funds	-0.01	0.00
Non-Financial Components	Avg. Consumer Expectations for Business Conditions	-0.19	-1.40
	ISM® New Orders Index	-0.08	-1.01
	Building Permits, Private Housing	-0.11	-0.30
	Average Weekly Hours, Mfg.	-0.12	-0.06
	Manufacturers' New Orders, Nondefense Capital Goods excl. aircraft**	0.00	-0.02
	Manufacturers' New Orders, Consumer Goods & Materials**	0.01	-0.10
	Average Weekly Initial Claims, Unemp. Insurance*	-0.06	-0.04

Source: The Conference Board
* Inverted series; a negative change in this component makes a positive contribution.
** Statistical Imputation
LEI change might not equal sum of its contribiutins due to application of trend adjustment factor

Widespread weakness among the LEI's components and a negative growth rate over the past six months triggered the recession signal in August



***NOTE**: The chart illustrates the so-called **3Ds—duration, depth, and diffusion—**for interpreting a downward movement in the LEI. **Duration** refers to how long the decline has lasted. **Depth** denotes the size of decline. Duration and depth are measured by the rate of change of the index over the most recent six months at an annualized rate. **Diffusion** is a measure of how widespread the decline is among the LEI's component indicators—on a scale of 0 to 100, a **diffusion index** reading below 50 indicates most components are weakening.*

*The **3Ds rule** signals an impending recession when: 1) the six-month diffusion index lies at or below 50, shown by the black warning signal lines in the chart; and 2) the LEI's six-month growth rate (annualized) falls below the threshold of −4.1%. The **red recession signal lines** indicate months when both criteria are met simultaneously—and thus that a recession is likely imminent or underway.*

Summary Table of Composite Economic Indexes

	2025			6-Month
	June	July	August	Feb to Aug
Leading Index	98.8	98.9 *r*	98.4 *p*	
Percent Change	-0.3	0.1 *r*	-0.5	-2.8
Diffusion	45.0	70.0	35.0	25.0
Coincident Index	114.7	114.8 *r*	115.0 *p*	
Percent Change	0.1 *r*	0.1 *r*	0.2	0.6
Diffusion	62.5	62.5	87.5	87.5
Lagging Index	119.9	119.9	120.0 *p*	
Percent Change	0.0	0.0	0.1	0.7
Diffusion	42.9	35.7	42.9	35.7

p Preliminary ***r*** Revised ***c*** Corrected
Indexes equal 100 in 2016

Source: The Conference Board

About The Conference Board *Leading Economic Index*® (LEI) and *Coincident Economic Index*® (CEI) for the US
The composite economic indexes are key elements in an analytic system designed to signal peaks and troughs in the business cycle. Comprised of multiple independent indicators, the indexes are constructed to summarize and reveal common turning points in the economy in a clearer and more convincing manner than any individual component.

The CEI reflects current economic conditions and is highly correlated with real GDP. The LEI is a predictive tool that anticipates—or "leads"—turning points in the business cycle by around seven months.

The ten components of the ***Leading Economic Index*® for the US** are:

- Average weekly hours in manufacturing
- Average weekly initial claims for unemployment insurance
- Manufacturers' new orders for consumer goods and materials
- ISM® Index of New Orders
- Manufacturers' new orders for nondefense capital goods excluding aircraft orders
- Building permits for new private housing units
- S&P 500® Index of Stock Prices
- Leading Credit Index™
- Interest rate spread (10-year Treasury bonds less federal funds rate)
- Average consumer expectations for business conditions

The four components of the ***Coincident Economic Index®* for the US** are:

- Payroll employment
- Personal income less transfer payments
- Manufacturing and trade sales
- Industrial production

To access data, please visit: https://data-central.conference-board.org/

About The Conference Board

The Conference Board is the member-driven think tank that delivers Trusted Insights for What's Ahead®. Founded in 1916, we are a non-partisan, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States. ConferenceBoard.org

The next release is scheduled for Monday, October 20, 2025, at 10 A.M. ET

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