



## The Conference Board Leading Economic Index® (LEI) for the US Declined in June

Updated 21 July 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.*

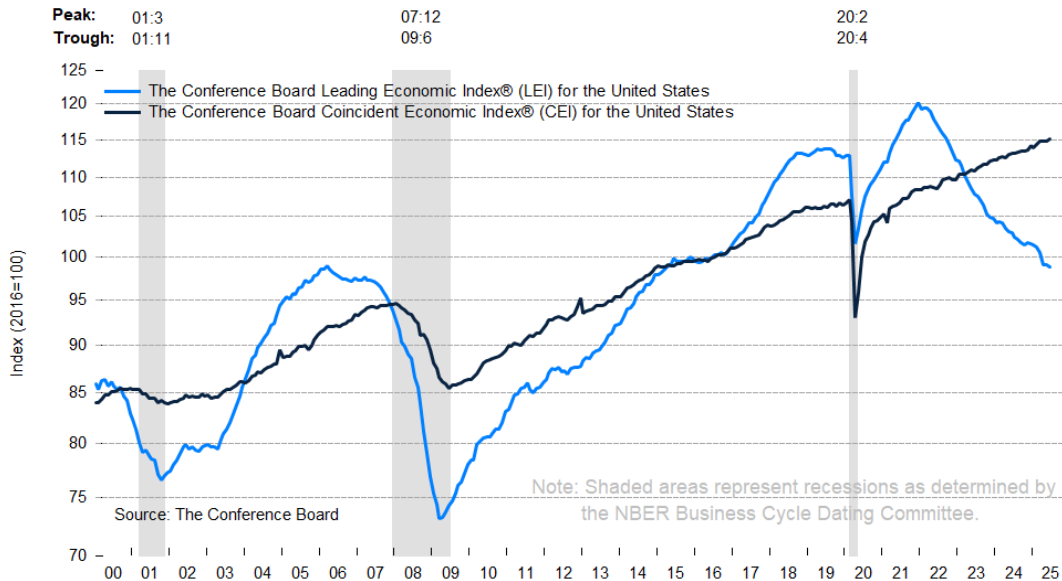
**The Conference Board Leading Economic Index® (LEI)** for the US declined by 0.3% in June 2025 to 98.8 (2016=100), after no change in May (revised upward from -0.1% originally reported). As a result, the LEI fell by 2.8% over the first half of 2025, a substantially faster rate of decline than the -1.3% contraction over the second half of 2024.

“The US LEI fell further in June,” said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board**. “For a second month in a row, the stock price rally was the main support of the LEI. But this was not enough to offset still very low consumer expectations, weak new orders in manufacturing, and a third consecutive month of rising initial claims for unemployment insurance. In addition, the LEI’s six-month growth rate weakened, while the diffusion index over the past six months remained below 50, triggering the recession signal for a third consecutive month. At this point, The Conference Board does not forecast a recession, although economic growth is expected to slow substantially in 2025 compared to 2024. Real GDP is projected to grow by 1.6% this year, with the impact of tariffs becoming more apparent in H2 as consumer spending slows due to higher prices.”

**The Conference Board Coincident Economic Index® (CEI)** for the US rose by 0.3% in June 2025 to 115.1 (2016=100), after being unchanged in both May and April. The CEI rose by 0.8% over the first half of this year, down from 1.0% growth 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 in June.

**The Conference Board Lagging Economic Index® (LAG)** for the US was unchanged at 119.9 (2016=100) in June 2025, after increasing by 0.4% in May. The LAG’s six-month growth rate was also positive at 1.4% between December 2024 and June 2025—reversing a -0.8% decline over the previous six months (June–December 2024).

## The LEI declined by a further 0.3% in June



## A strong rally in stock prices was not enough to offset negative impacts from weak consumer confidence and new orders

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

	Jun '25	6 months ending in Jun '25
<b>Financial Components</b>		
Leading Credit Index™*	0.03	-0.05
S&P 500® Stock Index	0.15	0.01
Interest Rate Spread, 10-year T-bonds less Fed Funds	0.01	0.05
<b>Non-Financial Components</b>		
Avg. Consumer Expectations for Business Conditions	-0.22	-1.30
ISM® New Orders Index	-0.19	-0.89
Building Permits, Private Housing	0.01	-0.16
Average Weekly Hours, Mfg.	0.00	0.06
Manufacturers' New Orders, Nondefense Capital Goods excl. aircraft**	0.00	0.00
Manufacturers' New Orders, Consumer Goods & Materials**	0.01	-0.07
Average Weekly Initial Claims, Unemp. Insurance*	-0.04	-0.13

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 contributions due to application of trend adjustment factor

## The LEI's weak growth rate and diffusion index over the past six months triggered the recession signal for the third consecutive month in June



**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 Dec to Jun
	April	May	June	
<b>Leading Index</b>	99.1	99.1 <i>r</i>	98.8 <i>p</i>	
Percent Change	-1.4	0.0 <i>r</i>	-0.3	-2.8
Diffusion	0.0	50.0	60.0	40.0
<b>Coincident Index</b>	114.8 <i>r</i>	114.8 <i>r</i>	115.1 <i>p</i>	
Percent Change	0.0 <i>r</i>	0.0 <i>r</i>	0.3	0.8
Diffusion	62.5	62.5	100.0	100.0
<b>Lagging Index</b>	119.4 <i>r</i>	119.9 <i>r</i>	119.9 <i>p</i>	
Percent Change	0.3	0.4	0.0	1.4
Diffusion	42.9	71.4	35.7	42.9

*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](https://www.conferenceboard.org)

The next release is scheduled for Thursday, August 21, 2025, at 10 A.M. ET

#### For further information contact:

Jonathan Liu at [jliu@tcb.org](mailto:jliu@tcb.org)

Joseph DiBlasi at [+781.308.7935 jdiblasi@tcb.org](mailto:jdiblasi@tcb.org)



The Conference Board provides **trusted insights for what's ahead®** on this and a number of other topics. [Learn more about Membership options](#) at 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 nonpartisan, not-for-profit entity holding 501(c)(3) tax-exempt status in the United States.

© 2025 The Conference Board, Inc.