

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

*Updated 21 October 2024*

**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.*

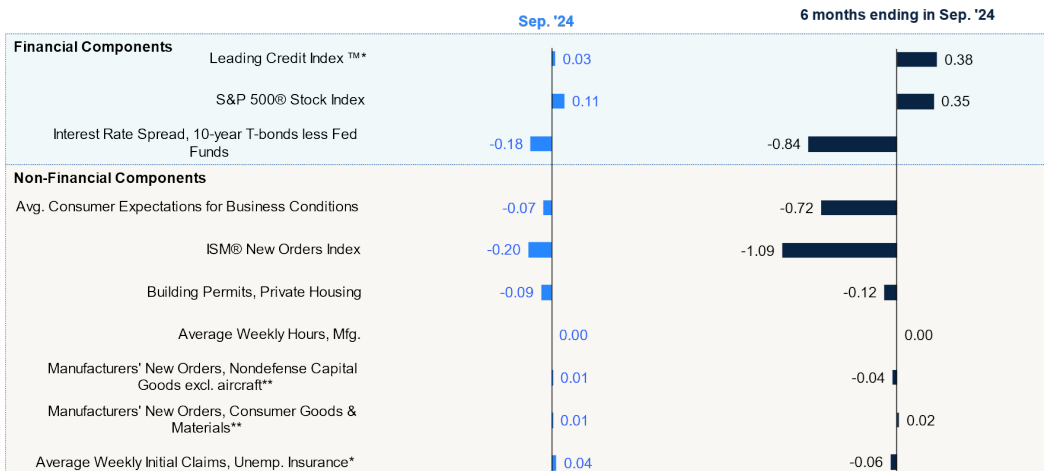
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**The Conference Board Leading Economic Index® (LEI) for the US** declined by 0.5% in September 2024 to 99.7 (2016=100), following a 0.3% decline in August. Over the six-month period between March and September 2024, the LEI fell by 2.6%, more than its 2.2% decline over the previous six-month period (September 2023 to March 2024).

“Weakness in factory new orders continued to be a major drag on the US LEI in September as the global manufacturing slump persists,” said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board**. “Additionally, the yield curve remained inverted, building permits declined, and consumers’ outlook for future business conditions was tepid. Gains among other LEI components were not significant enough to offset weakness among the four gauges



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



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

**NOTE:** Starting with the September 2023 release, Leading Credit Index™ calculations (from 2020 to current) use the SOFR Overnight Financing Rate in the USD Swap spread semiannual 2 year instead of LIBOR rate. LIBOR remains in the USD Swap spread semiannual 2 year from 1990 to 2020.

The US LEI signaled recession again in September, but the economy may only slow ahead



**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. **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 below 50, shown by the black warning signal lines in the chart; and 2) the LEI's six-month rate of decline falls below the threshold of -4.4%. 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

	2024			6-Month Mar to Sep
	July	August	September	
<b>Leading Index</b>	100.5 <i>r</i>	100.2	99.7 <i>p</i>	
Percent Change	-0.5 <i>r</i>	-0.3 <i>r</i>	-0.5	-2.6
Diffusion	30.0	55.0	55.0	35.0
<b>Coincident Index</b>	112.6 <i>r</i>	112.8 <i>r</i>	112.9 <i>p</i>	
Percent Change	0.1 <i>r</i>	0.2 <i>r</i>	0.1	0.9
Diffusion	75.0	100.0	75.0	100.0
<b>Lagging Index</b>	119.3 <i>r</i>	119.3 <i>r</i>	118.9 <i>p</i>	
Percent Change	-0.2 <i>r</i>	0.0	-0.3	-0.2
Diffusion	35.7	28.6	28.6	0.0

*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/>

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