

News Release

Jonathan Liu (732) 991-1754 / jonathan.liu@tcb.org

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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 Fell Further in February

The Conference Board Leading Economic Index® (LEI) for the US declined by 0.3% in February 2025 to 101.1 (2016=100), after a 0.2% decline (revised from -0.3%) in January. Overall, the LEI fell by 1.0% in the six-month period ending February 2025, less than half of its rate of decline of -2.1% over the previous six months (February–August 2024).

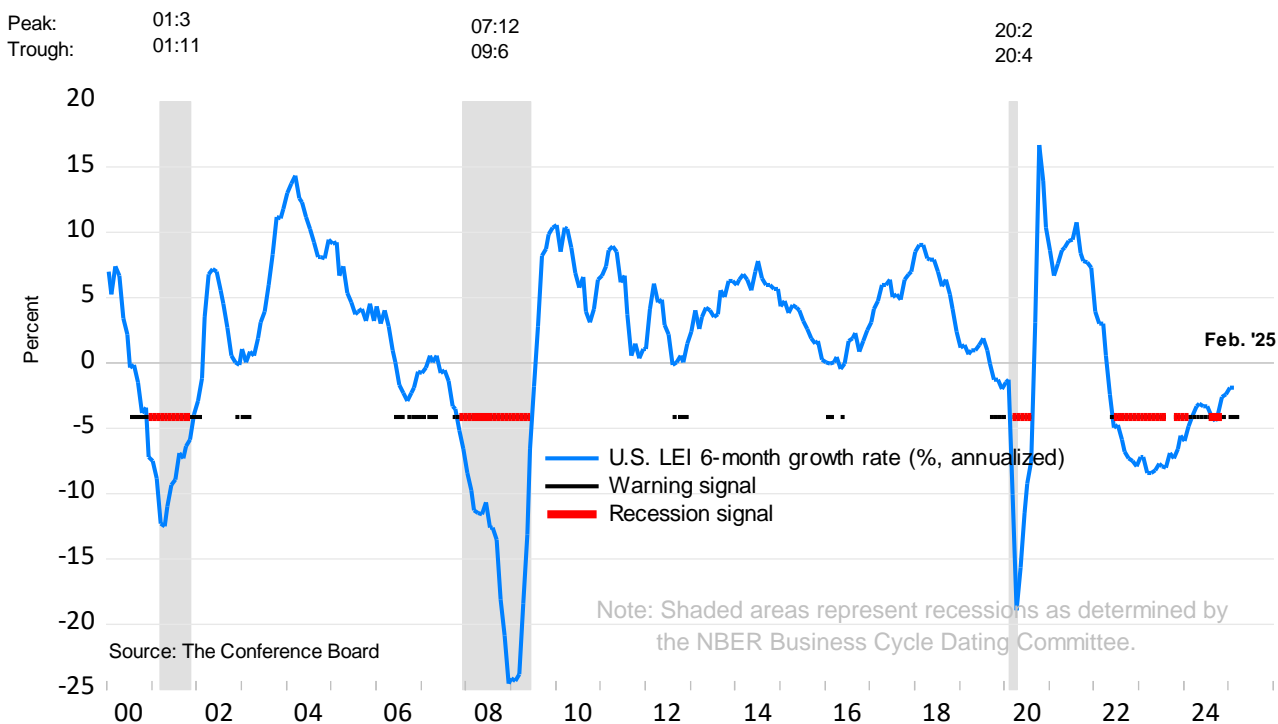
“The US LEI fell again in February and continues to point to headwinds ahead,” said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board**. “Consumers’ expectations of future business conditions turned more pessimistic. That was the component that weighed down most heavily on the Index in February. Manufacturing new orders, which improved in January, retreated and were the second largest negative contributor to the Index’s monthly decline. On a positive note, the LEI’s six-month and annual growth rates, while still negative, have remained on an upward trend since the end of 2023, suggesting that headwinds in the economy as of February may have moderated compared to last year. However, given substantial policy uncertainty and the notable pullback in consumer sentiment and spending since the beginning of the year, we currently forecast that real GDP growth in the US will slow to around 2.0% in 2025.”

The Conference Board Coincident Economic Index® (CEI) for the US increased by 0.3% in February 2025 to 114.7 (2016=100), after a 0.2% increase in January. As a result, the CEI rose by 1.2% over the six-month period between August 2024 and February 2025, twice its 0.6% 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. They all improved in February, with the largest positive contribution coming from industrial production, followed by personal income less transfer payments, manufacturing and trade sales, and payroll employment.

The Conference Board Lagging Economic Index® (LAG) for the US increased by 0.4% to 119.1 (2016=100) in February 2025, after a 0.3% increase in January. As a result, the LAG’s six-month change turned positive, rising 0.2% between August 2024 and February 2025—a reversal of its 0.2% decline from over the previous six months.

The next release is scheduled for Monday, April 21, 2025, at 10 A.M. ET.

The LEI's six-month growth rate remained on an upward trend, but weaknesses among the components triggered the warning signal



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 at or 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 -4.2%. 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		2025		6-Month Aug to Feb	
	December		January	February		
Leading Index	101.6	<i>r</i>	101.4	<i>r</i>	101.1	<i>p</i>
Percent Change	-0.1	<i>r</i>	-0.2	<i>r</i>	-0.3	
Diffusion	40.0		45.0		45.0	50.0
Coincident Index	114.2	<i>r</i>	114.4	<i>r</i>	114.7	<i>p</i>
Percent Change	0.4	<i>r</i>	0.2	<i>r</i>	0.3	
Diffusion	100.0		100.0		100.0	100.0
Lagging Index	118.2	<i>r</i>	118.6	<i>r</i>	119.1	<i>p</i>
Percent Change	-0.4	<i>r</i>	0.3	<i>r</i>	0.4	
Diffusion	14.3		57.1		57.1	28.6

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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