

News Release

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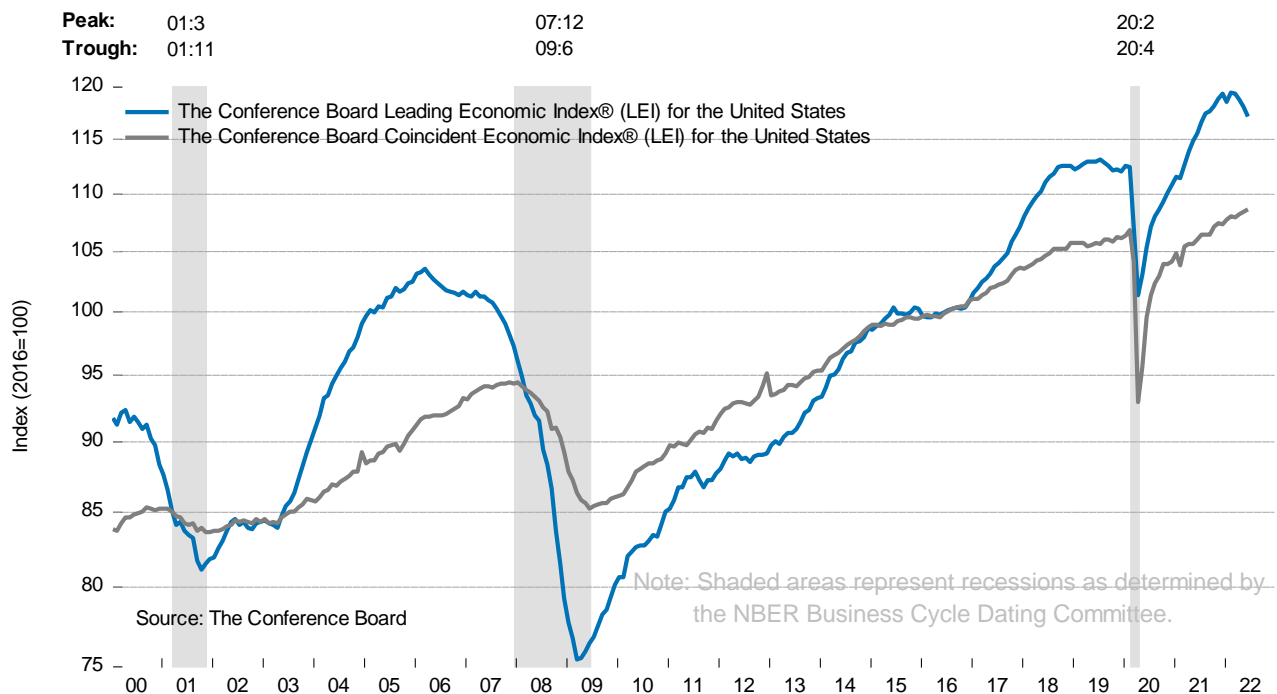
The Conference Board Leading Economic Index® (LEI) for the U.S. Fell Further in June

New York, July 21, 2022... The Conference Board Leading Economic Index® (LEI) for the U.S. decreased by 0.8 percent in June 2022 to 117.1 (2016=100), after declining by 0.6 percent in May. The LEI was down by 1.8 percent over the first half of 2022, a reversal from its 3.3 percent growth over the second half of 2021.

"The US LEI declined for a fourth consecutive month suggesting economic growth is likely to slow further in the near-term as recession risks grow," said **Ataman Ozyildirim, Senior Director of Economic Research at The Conference Board**. "Consumer pessimism about future business conditions, moderating labor market conditions, falling stock prices, and weaker manufacturing new orders drove the LEI's decline in June. The coincident economic index which rose in June suggests the economy grew through the second quarter. However, the forward-looking LEI points to a US economic downturn ahead."

"Amid high inflation and rapidly tightening monetary policy, The Conference Board expects economic growth will continue to cool throughout 2022. A US recession around the end of this year and early next is now likely. Accordingly, we've downgraded our forecast of 2022 annual Real GDP growth to 1.7 percent year-over-year (from 2.3 percent), while 2023 growth was downgraded to 0.5 percent YOY (from 1.8 percent)."

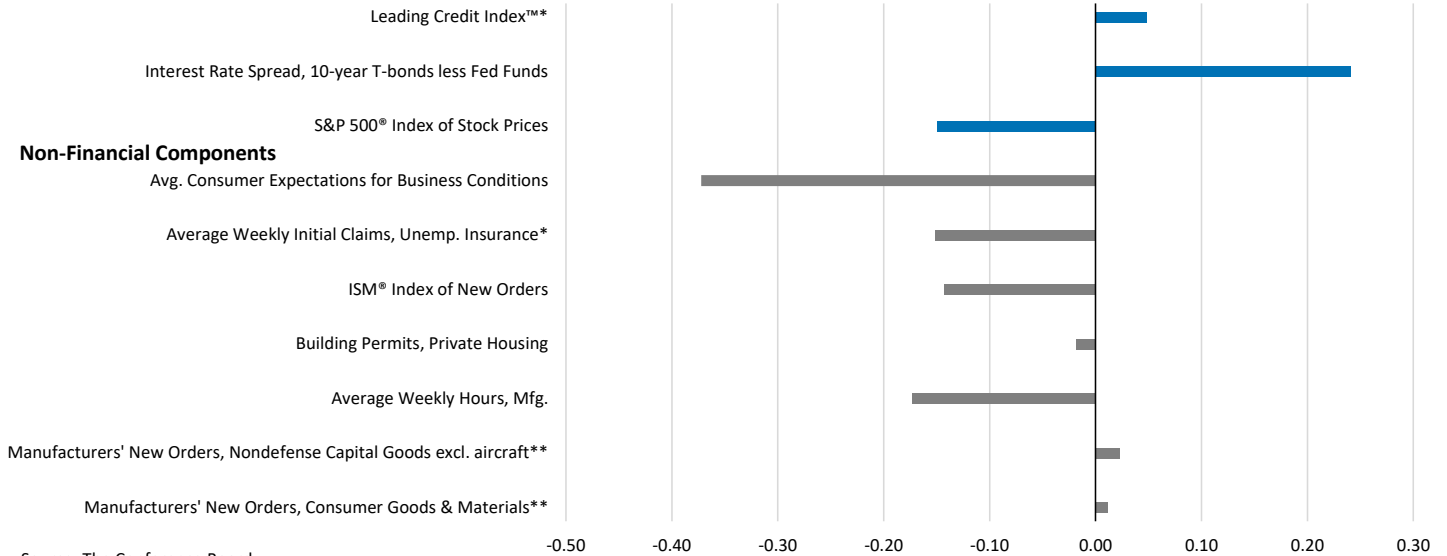
US LEI appears to have peaked, pointing to decline in economic activity in the near-term



Negative contributions among the LEI's components were widespread

Financial Components

Leading Economic Index Component Contributions June 2022 (Percent)

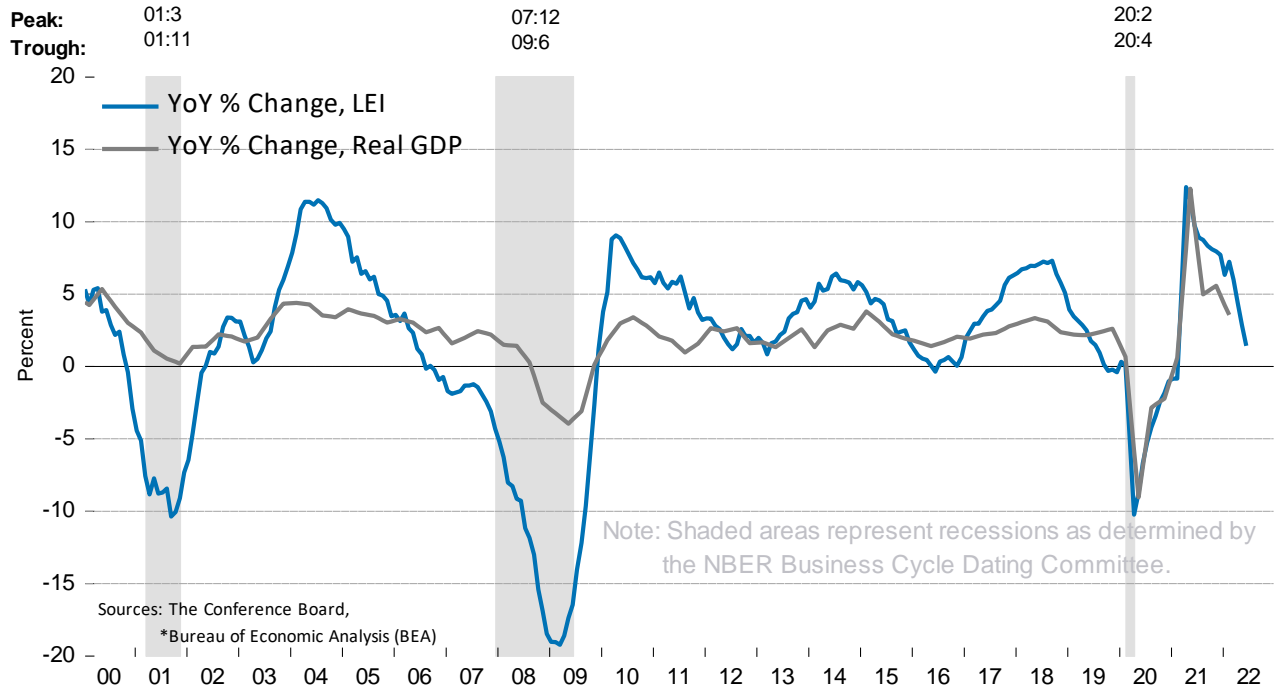


Source: The Conference Board

* Inverted series; a negative change in this component makes a positive contribution.

** Statistical Imputation

The long-term trajectory of the US LEI continued to slow in June



The Conference Board Coincident Economic Index® (CEI) for the U.S. increased by 0.2 percent in June 2022 to 108.6 (2016=100), after increasing by 0.2 percent in May. The CEI rose by 1.2 percent in the first half of 2022, the same rate of growth as in the second half of 2021.

The Conference Board Lagging Economic Index® (LAG) for the U.S. increased by 0.8 percent in June 2022 to 113.9 (2016 = 100), following a 0.8 percent increase in May. The LAG is up 4.0 percent over the six-month period from December to June 2022, faster than growth of 1.8 percent in the six-month period from June to December 2021.

Summary Table of Composite Economic Indexes

	Apr	2022 May	Jun	6-month Dec to Jun
Leading Index	118.7 r	118.0 r	117.1 p	
Percent Change	-0.5 r	-0.6 r	-0.8 p	-1.8
Diffusion	15	30	40	20
Coincident Index	108.2 r	108.4 r	108.6 p	
Percent Change	0.3 r	0.2	0.2 p	1.2
Diffusion	75	87.5	75	75
Lagging Index	112.1 r	113.0 r	113.9 p	
Percent Change	0.4	0.8	0.8 p	4.0
Diffusion	71.4	64.3	78.6	85.7

p Preliminary r Revised
Indexes equal 100 in 2016
Source: The Conference Board

The next release is scheduled for Thursday, August 18, 2022, at 10 A.M. ET.

About **The Conference Board Leading Economic Index® (LEI)** for the U.S.: The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. 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 is highly correlated with real GDP. The LEI is a predictive variable that anticipates (or “leads”) turning points in the business cycle by around 7 months. Shaded areas denote recession periods or economic contractions. The dates above the shaded areas show the chronology of peaks and troughs in the business cycle.

The ten components of **The Conference Board Leading Economic Index®** for the U.S. include: 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.

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

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