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## BTS Data

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### Research Confirms Transportation Index as Leading Indicator

The [Transportation Services Indexes](#) (TSI) are leading indicators of economic cycles, according to new research released today by the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS).

In a new technical report, [Transportation Services Index and the Economy—Revisited](#), BTS reported that the two components of the TSI – the freight index and the passenger index – both lead the economy, although in different ways.

BTS extended the TSI back to 1979, examining five recessions and numerous growth cycles. “When the accelerations and decelerations of the freight TSI are compared to the growth cycles of the economy, the freight measure leads by an average of approximately four months,” BTS said. “The passenger TSI exhibits fewer turning points, which were then identified as leading the business cycles of recession and expansion, also by approximately four months.”

Turning points are times when the movement of an economic series changes direction. For example, when TSI begins to decline after having increased, or when the economy begins to recover after a recession.

BTS has issued the [TSI](#) monthly since March 2004. The Freight TSI measures the month-to-month changes in freight shipments by mode of transportation in tons and ton-miles, which are combined into one index. The index measures the output of the for-hire freight transportation industry and consists of data from for-hire trucking, rail, inland waterways, pipelines and air freight. The passenger TSI measures the month-to-month changes in travel that involves the services of the for-hire passenger transportation sector. The seasonally-adjusted index consists of data from air, local transit and intercity rail.

In September, (the [most recent release](#)), the Freight TSI rose for the third consecutive month. It was 2.1 percent higher than at the beginning of the year and was 28.5 percent higher than the low during the recession in April 2009. The passenger index rose 0.2 percent in September from August and was up 9.5 percent in five years and up 15.1 percent in 10 years.