

April 2008
Non-Manufacturing
Business Conditions Survey

**A Joint Project of the College of Business
At the University of Colorado at Denver
And NAPM-Denver**

The local Denver Non-Manufacturing economy increased in April reversing the decreasing trend of the previous three months. The Denver Non-Manufacturing PMI was 58.4. The Production Index also increased with an index of 55. The Denver Non-Manufacturing Production Index compares to the Institute for Supply Management's (ISM) Non-Manufacturing Business Activity/Production Index which decreased 1.3 percentage points to 50.9 percent. (ISM publishes the national Business Activity/Production Non-Manufacturing Index).

(As a reminder to our readers, an index below 50 indicates the majority of our respondents reported a decline versus the previous month. The further below 50, the greater the number of respondents reporting a decline. An index over 50 indicates growth, increase, or improvement).

The overall Price Index of the Denver Non-Manufacturing Survey increased at a slower rate in April. All sectors increased except for the Computers sector which remained unchanged. Lead times in our Denver survey increased slightly in April reversing the decrease in March. The MRO sector decreased, the Capital Goods, Components and Computers sectors remained unchanged, and the Services and Raw Materials sectors increased. The New Orders Index increased in April. The Raw Materials Inventory Index and the Finished Goods Inventory Index increased at slower rates in April.

The Employment Index decreased at a slower rate in April. The Availability of Skilled Workers and the Availability of Unskilled Workers Indices both increased in April.

Supplier performance in our Denver survey remained unchanged in the MRO sector, worsened in the Raw Materials and Components sectors and improved in the Capital Goods, Computers and Services sectors.

ISM's New Orders Index grew in April for the second consecutive month. The index decreased 0.1 percentage point to 50.1 percent from the 50.2 percent registered in March. Comments from respondents include: "Continued growth activity"; "Additional business with some key existing customers"; and "Increased demand." ISM's Non-Manufacturing Employment Index for April registered 50.8 percent. This reflects an increase of 3.9 percentage points when compared to the 46.9 percent registered in March. Go to www.ism.ws for the complete ISM report.

The Business Conditions Survey is a joint project of University of Colorado at Denver and NAPM-Denver. Dr. M.P. Parthasarathy of the College of Business conducted April's survey at the University of Colorado at Denver. For further information on the survey, or to participate in it, call Dr. Parthasarathy at 303-556-5849.

*Note: In the below tables, an index over 50 indicates growth, increase, or improvement. Below 50 is indicative of decrease or worsening.

April 2008 Colorado Front Range Non-Manufacturing Survey

	<i>Colo. Index</i>	<i>Direction</i>	<i>Rate of Change</i>	<i>National Index</i>	<i>Direction</i>	<i>Rate of Change</i>
<u>Series</u>	<u>April</u>	<u>April vs March</u>	<u>April vs March</u>	<u>April</u>	<u>April vs March</u>	<u>April vs March</u>
Purchasing Managers' Index	58.4	Increasing	From Decreasing	52*	Increasing	From Decreasing
Production	55	Increasing	From No Change	50.9	Increasing	Slower
New Orders	72.2	Increasing	From Decreasing	50.1	Increasing	Slightly Slower
Backlog of Orders	61.1	Increasing	From Decreasing	50	No Change	From Decreasing
Prices	58.1	Increasing	Slower	72.1	Increasing	From Decreasing
Lead Times	50.1	Increasing	From Decreasing	56	Increasing	From Decreasing
Raw Material Inventory	65	Increasing	Slower	47**	Decreasing	From Increasing
Finished Goods Inventory	55	Increasing	Slower	NA	NA	NA
Employment	45	Decreasing	Slower	50.8	Increasing	From Decreasing
Availability of Skilled Labor	75	Increasing	From Decreasing	NA	NA	NA
Availability of Unskilled Labor	70	Increasing	From Decreasing	NA	NA	NA

*The national index is called the NMI (Non-Manufacturing Index)

**The national non-manufacturing survey lists only total inventories.

Note: The index for the overall Denver non-manufacturing economy is a composite based on five components: delivery times, inventory levels, new orders, production and employment. An index above 50 means the non-manufacturing economy is generally expanding.

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	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<u>Prices:</u>	<u>April</u>	<u>April vs March</u>	<u>April vs March</u>
MRO Items	61.1	Increasing	Slower
Capital Goods	62.5	Increasing	Slower
Raw Materials	55.6	Increasing	From Decreasing
Components	61.1	Increasing	Faster
Computers	50	No Change	From Increasing
Services	62.5	Increasing	Slower
<u>Lead Times</u>			
MRO Items	44.4	Decreasing	Slower
Capital Goods	50	No Change	From Decreasing
Raw Materials	56.3	Increasing	Slower
Components	50	No Change	From No Change
Computers	50	No Change	From No Change
Services	62.5	Increasing	From Decreasing
<u>Supplier Performance</u>			
	<u>April</u>	<u>April vs March</u>	<u>April vs March</u>
MRO Items	50	No Change	From No Change
Capital Goods	55.6	Improving	From No Change
Raw Materials	44.4	Worsening	From No Change
Components	44.4	Worsening	Slower
Computers	56.3	Improving	Slower
Services	56.3	Improving	Slower