



December 2007
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 at a slightly slower rate in December as the Denver Non-Manufacturing PMI was 53.1. November's index was 53.8. However, the Production Index decreased with an index of 40.9 which compares to November's rate of 54.2. The Denver Non-Manufacturing Production Index compares to the Institute for Supply Management's (ISM) Business Activity/Production Index of 53.9 percent, indicating a slightly slower rate of growth in business activity compared to November. (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 December. The Capital Goods, Raw Materials, Components and Services sectors increased and the MRO and Computer sectors remained unchanged. Lead times in our Denver survey increased at a faster rate in December. The Raw Materials, Components and Computers sectors increased and the MRO, Capital Goods and Services sectors remained unchanged. The New Orders Index remained unchanged in December. The Raw Materials Inventory Index increased and the Finished Goods Inventory Index remained unchanged in December.

The Employment Index increased at a faster rate in December. The Availability of Skilled Workers remained unchanged and the Availability of Unskilled Workers Index decreased in December.

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

ISM's New Orders Index increased to 53.5 percent in December from the 51.1 percent registered in November. This indicates continued expansion of new orders at a faster rate than in November. ISM's Employment Index was 50 52.1 percent, a 1.3 percentage point increase from the 50.8 percent reported in November. 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 December'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.

December 2007 Colorado Front Range Non-Manufacturing Survey

<i>Series</i>	<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>December</u>	<u>December vs. November</u>	<u>December vs. November</u>	<u>December</u>	<u>December vs. November</u>	<u>December vs. November</u>
Purchasing Managers' Index	53.1	Increasing	Slightly Slower	N/A	N/A	N/A
Production	40.9	Decreasing	From Increasing	53.9	Increasing	Slightly Slower
New Orders	50	No Change	From Increasing	53.5	Increasing	Faster
Backlog of Orders	33.3	Decreasing	Faster	49	Decreasing	Slightly Slower
Prices	56	Increasing	Slower	72.7	Increasing	Slower
Lead Times	54.2	Increasing	Faster	52.5	Increasing	Faster
Raw Material Inventory	70	Increasing	From Decreasing	50.5*	Increasing	No Change
Finished Goods Inventory	50	No Change	From Decreasing	NA	NA	NA
Employment	63.6	Increasing	Faster	52.1	Increasing	Faster
Availability of Skilled Labor	50	No Change	From Decreasing	NA	NA	NA
Availability of Unskilled Labor	45.5	Decreasing	Slower	NA	NA	NA

*The national non-manufacturing survey does not list a PMI.

**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>December</u>	<u>December</u>	<u>December vs. November</u>
		<u>vs.</u>	
		<u>November</u>	
MRO Items	50	No Change	From Increasing
Capital Goods	54.6	Increasing	Slower
Raw Materials	70	Increasing	Faster
Components	55.6	Increasing	Slower
Computers	50	No Change	From Increasing
Services	54.6	Increasing	Slower
<u>Lead Times</u>			
MRO Items	50	No Change	From Decreasing
Capital Goods	50	No Change	From Increasing
Raw Materials	54.6	Increasing	Faster
Components	60	Increasing	Faster
Computers	56.3	Increasing	From No Change
Services	50	No Change	From Decreasing
<u>Supplier Performance</u>	<u>December</u>	<u>December</u>	<u>December vs. November</u>
		<u>vs.</u>	
		<u>November</u>	
MRO Items	50	No Change	From No Change
Capital Goods	54.6	Improving	From No Change
Raw Materials	50	No Change	From No Change
Components	43.8	Worsening	Slightly Slower
Computers	52.4	No Change	From Improving
Services	54.6	Improving	Faster