



February 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 decreased in February at the same rate as in January. The Denver Non-Manufacturing PMI was 49.2. The Production Index increased with an index of 53.9 which reverses the decrease in January when the rate was 43.1. The Denver Non-Manufacturing Production Index compares to the Institute for Supply Management's (ISM) Business Activity/Production Index of 50.8 percent, indicating an increase of 8.9 percentage points after a month of contraction in January when the index registered 41.9 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 faster rate in February. The MRO, Capital Goods, Components, Computers and Services sectors increased and the Raw Materials sector remained unchanged. Lead times in our Denver survey increased at a faster rate in February. The MRO and Services sectors decreased, the Capital Goods and Components sectors remained unchanged, and the Raw Materials and Computers sectors increased. The New Orders Index decreased at a faster rate in February. The Raw Materials Inventory Index increased at a faster rate and the Finished Goods Inventory Index remained unchanged in February.

The Employment Index decreased in February. The Availability of Skilled Workers and the Availability of Unskilled Workers Indices also decreased in February.

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

ISM's New Orders Index increased 6.1 percentage points to 49.6 percent from the seasonally adjusted 43.5 percent registered in January. ISM's Employment Index was 46.9 percent, a 3 percentage point increase from the seasonally adjusted 43.9 percent reported in January. 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 February'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.

February 2008 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>February</u>	<u>February vs January</u>	<u>February vs January</u>	<u>February</u>	<u>February vs January</u>	<u>February vs January</u>
Purchasing Managers' Index	49.2	Decreasing	No Change	N/A	N/A	N/A
Production	53.9	Increasing	From Decreasing	49.3	Decreasing	Slower
New Orders	40.9	Decreasing	Faster	49.6	Decreasing	Slower
Backlog of Orders	45	Decreasing	Slower	49.5	Decreasing	Slower
Prices	58.5	Increasing	Faster	67.9	Increasing	Slower
Lead Times	52.7	Increasing	Faster	50	No Change	From Decreasing
Raw Material Inventory	64.3	Increasing	Faster	50*	No Change	From Decreasing
Finished Goods Inventory	50	No Change	From Decreasing	NA	NA	NA
Employment	45.8	Decreasing	From Increasing	46.9	Decreasing	Slower
Availability of Skilled Labor	34.6	Decreasing	Faster	NA	NA	NA
Availability of Unskilled Labor	37.5	Decreasing	Faster	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>February</u>	<u>February vs January</u>	<u>February vs January</u>
MRO Items	62.5	Increasing	No Change
Capital Goods	66.7	Increasing	Faster
Raw Materials	50	No Change	From No Change
Components	59.1	Increasing	From No Change
Computers	54.2	Increasing	No Change
Services	61.5	Increasing	Faster
<u>Lead Times</u>			
MRO Items	46.2	Decreasing	From Increasing
Capital Goods	50	No Change	From Increasing
Raw Materials	58.3	Increasing	From No Change
Components	50	No Change	From Increasing
Computers	59.1	Increasing	From Decreasing
Services	41.7	Decreasing	From No Change
<u>Supplier Performance</u>	<u>February</u>	<u>February vs January</u>	<u>February vs January</u>
MRO Items	50	No Change	From No Change
Capital Goods	45.8	Worsening	From No Change
Raw Materials	50	No Change	From No Change
Components	45.5	Worsening	From No Change
Computers	57.7	Improving	Slower
Services	57.7	Improving	Slower

