



January 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 January reversing December's increase. The Denver Non-Manufacturing PMI was 49.2. December's index was 53.1. The Production Index decreased with an index of 43.1 which compares to December's rate of 40.9. The Denver Non-Manufacturing Production Index compares to the Institute for Supply Management's (ISM) Business Activity/Production Index of 41.9 percent, indicating a significant contraction in business activity in January from the seasonally adjusted 54.4 percent registered in December. (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 January. The MRO, Capital Goods, Computers and Services sectors increased and the Raw Materials and Components sectors remained unchanged. Lead times in our Denver survey increased at a slower rate in January. The MRO, Capital Goods and Components sectors increased, the Raw Materials and Services sectors remained unchanged and the Computers sector decreased. The New Orders Index decreased in January. The Raw Materials Inventory Index increased at a slower rate and the Finished Goods Inventory Index decreased in January.

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

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

ISM's New Orders Index increased contracted to 43.5 percent in January, a significant reduction of 10.4 percentage points from the seasonally adjusted 53.9 percent registered in December. ISM's Employment Index was 43.9 percent, a 7.9 percentage point decrease from the seasonally adjusted 51.8 percent reported in December. 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 January'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.

January 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>January</u>	<u>January vs. December</u>	<u>January vs. December</u>	<u>January</u>	<u>January vs. December</u>	<u>January vs. December</u>
Purchasing Managers' Index	49.2	Decreasing	From Increasing	N/A	N/A	N/A
Production	43.1	Decreasing	Slower	41.9	Decreasing	From Increasing
New Orders	46.3	Decreasing	From No Change	43.5	Decreasing	From Increasing
Backlog of Orders	37.5	Decreasing	Slower	46	Decreasing	Faster
Prices	54.2	Increasing	Slower	70.7	Increasing	Slightly Slower
Lead Times	51	Increasing	Slower	49	Decreasing	From Increasing
Raw Material Inventory	54.6	Increasing	Slower	44.5*	Decreasing	From Increasing
Finished Goods Inventory	36.4	Decreasing	From No Change	NA	NA	NA
Employment	57.1	Increasing	Slower	43.9	Decreasing	From Increasing
Availability of Skilled Labor	44.8	Decreasing	From No Change	NA	NA	NA
Availability of Unskilled Labor	38.9	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>January</u>	<u>January vs. December</u>	<u>January vs. December</u>	
MRO Items	62.5	Increasing	From No Change	
Capital Goods	54.2	Increasing	Slightly Slower	
Raw Materials	50	No Change	From Increasing	
Components	50	No Change	From Increasing	
Computers	54.2	Increasing	From No Change	
Services	60	Increasing	Faster	
<u>Lead Times</u>				
MRO Items	52	Increasing	From No Change	
Capital Goods	52.1	Increasing	From No Change	
Raw Materials	50	No Change	From Increasing	
Components	53.6	Increasing	Slower	
Computers	47.5	Decreasing	From Increasing	
Services	50	No Change	From No Change	
	<u>Supplier Performance</u>	<u>January</u>	<u>January vs. December</u>	<u>January vs. December</u>
MRO Items	50	No Change	From No Change	
Capital Goods	50	No Change	From Improving	
Raw Materials	50	No Change	From No Change	
Components	50	No Change	From Worsening	
Computers	60.9	Improving	From No Change	
Services	60.9	Improving	Faster	

