

**July 2005**  
**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 area Non-Manufacturing survey increased in July and at a faster rate than in June. The survey indicates a PMI of 56.9 compared to an index of 52.4 in June. The production also increased with an index of 63.3 in July. The Production index in June was 46.7. This month's index compares to the Institute for Supply Management's (ISM) Business Activity/Production Index for July which increased at a slower rate than in June. (ISM publishes the national non-manufacturing survey).

(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).

Prices increased overall for non-manufacturing for the Denver Business Survey in July at a faster rate than in June. The index for July is 61.7 compared to 54 in June. Prices in all sectors increased except for the computers sector which decreased. Lead times in our Denver survey increased in July. The index for lead times overall was 50.4 compared to 49.9 in June.

The new orders index increased in July at a faster rate than in June. Both the raw materials and the finished goods inventories' indices decreased in July.

The Non-Manufacturing index for employment showed an increase. The availability of skilled labor and unskilled labor indices showed decreases in July.

Supplier performance in our Denver survey for non-manufacturing improved in the capital goods, raw materials, computers and services and showed no change in the MRO and components sectors.

ISM's Non-Manufacturing New Orders Index increased to 61.9 percent in July from 59.5 percent in June. This indicates continued expansion of new orders at a faster rate of growth than in June. ISM'S Employment index increased at a slower rate in July compared to June. This was the 22nd consecutive monthly increase in non-manufacturing employment. For the complete ISM report, go to [www.ism.ws](http://www.ism.ws)

For further information on the Denver non-manufacturing survey, or to participate in it, call Dr. MP 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.

**July 2005 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>July</u>	<u>July vs. June</u>	<u>July vs. June</u>	<u>July</u>	<u>July vs. June</u>	<u>July vs. June</u>
<b>Purchasing Managers' Index</b>	56.9	Increasing	Faster	NA*	NA	NA
<b>Production</b>	63.3	Increasing	From Decreasing	60.5	Increasing	Slower
<b>New Orders</b>	63.3	Increasing	Faster	61.9	Increasing	Faster
<b>Backlog of Orders</b>	50	No Change	From Increasing	53.5	Increasing	Faster
<b>Prices</b>	61.7	Increasing	Faster	70.3	Increasing	Faster
<b>Lead Times</b>	50.4	Increasing	From Decreasing	57	Increasing	Slightly Faster
<b>Raw Material Inventory</b>	38.9	Decreasing	From Increasing	52.5*	Increasing	Slightly Faster
<b>Finished Goods Inventory</b>	45.5	Decreasing	Slower	NA	NA	NA
<b>Employment</b>	53.3	Increasing	From No Change	56.2	Increasing	Slower
<b>Availability of Skilled Labor</b>	46.7	Decreasing	No Change	NA	NA	NA
<b>Availability of Unskilled Labor</b>	46.2	Decreasing	From No Change	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.**

	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<b><u>Prices:</u></b>	<u>July</u>	<u>July vs. June</u>	<u>July vs. June</u>
MRO Items	71.4	Increasing	Faster
Capital Goods	67.9	Increasing	Faster
Raw Materials	59.1	Increasing	From Decreasing
Components	66.7	Increasing	Faster
Computers	43.3	Decreasing	Slower
Services	66.7	Increasing	Faster

**Lead Times**

MRO Items	53.3	Increasing	Slightly Slower
Capital Goods	57.1	Increasing	From No Change
Raw Materials	50	No Change	From Increasing
Components	45.5	Decreasing	Slower
Computers	45.8	Decreasing	From No Change
Services	46.7	Decreasing	Slightly Slower

**Supplier Performance**

	<u>July</u>	<u>July vs. June</u>	<u>July vs. June</u>
MRO Items	50	No Change	From Improving
Capital Goods	53.6	Improving	Slightly Slower
Raw Materials	54.6	Improving	Slower
Components	50	No Change	From Improving
Computers	60	Improving	Faster
Services	53.3	Improving	Slightly Slower