



**July 2010**  
**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 economic index increased in July with an index of 53.8. This compares to the index of 47.7 in June. The Denver Non-Manufacturing Index compares to the Institute for Supply Management's (ISM) Non-Manufacturing NMI (Non-Manufacturing Index) of 54.3 percent, which indicates continued growth in the national non-manufacturing sector for the seventh consecutive month. ISM's Non-Manufacturing Business Activity Index in July registered 57.4 percent, a decrease of 0.7 percentage point when compared to the 58.1 percent registered in June. Thirteen industries reported increased business activity, and four industries reported decreased activity for the month of July. One industry reported no change from June. Comments from respondents include: "Seasonal, plus more consumer confidence" and "Economy seems to be recovering." (ISM publishes the national NMI and the 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 remained unchanged in July with an index of 50. Prices in all sectors remained unchanged.

The New Orders Index remained unchanged with an index of 50 in July. The Raw Materials Inventory Index decreased with a score of 25 and the Finished Goods Inventory Index was 33.3 in July.

July's Employment Index was 50. The Availability of Skilled Workers and the Availability of Unskilled Workers Indices were both 50 in July.

Supplier performance in our Denver survey remained unchanged in all sectors.

ISM's Non-Manufacturing New Orders Index grew in July for the 11th consecutive month. The index registered 56.7 percent, which is an increase of 2.3 percentage points from the 54.4 percent reported in June. Comments from respondents include: "Business is up slightly" and "New capital projects." The 12 industries reporting growth of new orders in July — listed in order — are: Real Estate, Rental & Leasing; Arts, Entertainment & Recreation; Agriculture, Forestry, Fishing & Hunting; Transportation & Warehousing; Retail Trade; Management of Companies & Support Services; Other Services; Information; Health Care & Social Assistance; Educational Services; Public Administration; and Finance & Insurance. The five industries reporting contraction of new orders in July are: Construction; Wholesale Trade; Accommodation & Food Services; Professional, Scientific & Technical Services; and Mining.

ISM's Non-Manufacturing Employment Index for July registered 50.9 percent. This reflects an increase of 1.2 percentage points when compared to the 49.7 percent registered in June. Nine industries reported increased employment, four industries reported decreased employment, and five industries reported unchanged employment compared to June. Comments from respondents include: "Project team additions"; "Increased demand for services"; and "Expanding scope of business."

The industries reporting an increase in employment in July — listed in order — are: Information; Management of Companies & Support Services; Wholesale Trade; Arts, Entertainment & Recreation; Other Services; Professional, Scientific & Technical Services; Retail Trade; Public Administration; and Transportation & Warehousing. The industries reporting a reduction in employment in July are: Educational Services; Utilities; Finance & Insurance; and Health Care & Social Assistance. Go to [www.ism.ws](http://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 July'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.

### July 2010 Colorado Front Range Non-Manufacturing Survey

<i>Series</i>	<i>Colo. Index</i>			<i>National Index</i>		<i>Direction</i>	<i>Rate of Change</i>
	<i>July</i>	<i>June</i>	<i>July vs. June</i>	<i>July</i>	<i>July vs. June</i>		<i>July vs. June</i>
<b>Purchasing Managers' Index</b>	53.8	Increasing	From Decreasing	54.3*	Increasing		Slightly Faster
<b>Production</b>	75	Increasing	Faster	57.4	Increasing		Slightly Slower
<b>New Orders</b>	50	No Change	From Decreasing	56.7	Increasing		Faster
<b>Backlog of Orders</b>	25	Decreasing	No Change	52	Increasing		Slower
<b>Imports</b>	25	Decreasing	Faster	48	Decreasing		No Change
<b>Prices</b>	50	No Change	From Decreasing	52.7	Increasing		Slower
<b>Lead Times</b>	No Report			52	Increasing		Slower
<b>Raw Material Inventory</b>	25	Decreasing	From No Change	55.5**	Increasing		Slower
<b>Finished Goods Inventory</b>	33.3	Decreasing	Faster	NA	NA		NA

<b>Employment</b>	<b>50</b>	<b>No Change</b>	<b>From No Change</b>	<b>50.9</b>	<b>Increasing</b>	<b>From Decreasing</b>
<b>Availability of Skilled Labor</b>	<b>50</b>	<b>No Change</b>	<b>From No Change</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Availability of Unskilled Labor</b>	<b>50</b>	<b>No Change</b>	<b>From Decreasing</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

\*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.

	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<u>Prices:</u>	<u>July</u>		<u>July vs. June</u>
<b>MRO Items</b>	<b>50</b>	<b>No Change</b>	<b>No Change</b>
<b>Capital Goods</b>	<b>50</b>	<b>No Change</b>	<b>No Change</b>
<b>Raw Materials</b>	<b>50</b>	<b>No Change</b>	<b>From Decreasing</b>
<b>Components</b>	<b>50</b>	<b>No Change</b>	<b>From Decreasing</b>
<b>Computers</b>	<b>50</b>	<b>No Change</b>	<b>From Decreasing</b>
<b>Services</b>	<b>50</b>	<b>No Change</b>	<b>From Increasing</b>
<u>Supplier Performance</u>	<u>July</u>	<u>Direction</u>	<u>Rate of Change</u>
<b>MRO Items</b>	<b>50</b>	<b>No Change</b>	<b>From Improving</b>
<b>Capital Goods</b>	<b>50</b>	<b>No Change</b>	<b>No Change</b>
<b>Raw Materials</b>	<b>50</b>	<b>No Change</b>	<b>No Change</b>
<b>Components</b>	<b>50</b>	<b>No Change</b>	<b>From Improving</b>
<b>Computers</b>	<b>50</b>	<b>No Change</b>	<b>From Improving</b>
<b>Services</b>	<b>50</b>	<b>No Change</b>	<b>From Improving</b>