



**February 2007**  
**Non-Manufacturing**  
**Business Conditions Survey**

**A Joint Project of the College of Business**  
**At the University of Colorado at Denver**  
**And NAPM-Denver**

After a one-month absence, the local Denver area Non-Manufacturing survey is back. The survey indicates a PMI of 37.5. The Production Index is 25. This month's index compares to the Institute for Supply Management's (ISM) Business Activity/Production Index for February of 54.3 percent compared to the seasonally adjusted 59 percent registered in January, indicating a slower rate of growth in business activity in February. (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).

The overall price index for non-manufacturing for the Denver Business Survey in February is 75. Prices increased in all sectors. Lead times for services in our Denver survey also increased. The February index is 75.

The New Orders Index decreased in February with an index of 25. The Raw Materials Inventory Index decreased in February and the Finished Goods Inventory Index remained unchanged.

The Employment Index remained unchanged in February.

Supplier performance in our Denver survey for non-manufacturing improved in all sectors.

The ISM February New Orders decreased to 54.8 percent in February from the seasonally adjusted 55.4 percent registered in January. This indicates continued expansion of new orders, but at a slower rate than in January. ISM's Non-Manufacturing Employment Index for February is 52.2 percent, a 0.5 percentage point increase from the seasonally adjusted 51.7 percent reported in January. 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.

## February 2007 Colorado Front Range Non-Manufacturing Survey

Editor's note: There was no January 2007 Report, Therefore, the comparison below for NAPM-Denver is between February 2007 and December 2006. For ISM, the comparison is between February 2007 and January 2007.

	<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>February</u>	<u>February vs. Dec</u>	<u>February vs. Dec</u>	<u>February</u>	<u>February vs. Jan</u>	<u>February vs. Jan</u>
<b>Purchasing Managers' Index</b>	37.5	Decreasing	Faster	NA*	NA	NA
<b>Production</b>	25	Decreasing	Faster	54.3	Increasing	Slower
<b>New Orders</b>	25	Decreasing	No Change	54.8	Increasing	Slightly Slower
<b>Backlog of Orders</b>	25	Decreasing	Faster	47	Decreasing	Faster
<b>Prices</b>	75	Increasing	From Decreasing	53.8	Increasing	Slower
<b>Lead Times</b>	75	Increasing	Faster	52.5	Increasing	Slower
<b>Raw Material Inventory</b>	25	Decreasing	From Increasing	50.5*	Increasing	From Decreasing
<b>Finished Goods Inventory</b>	50	No Change	From No Change	NA	NA	NA
<b>Employment</b>	50	No Change	From Increasing	52.2	Increasing	Slightly Faster
<b>Availability of Skilled Labor</b>	25	Decreasing	From No Change	NA	NA	NA
<b>Availability of Unskilled Labor</b>	50	No Change	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.

Colo. Index    Direction    Rate of Change

<u>Prices:</u>	<u>February</u>	<u>February vs. Dec</u>	<u>February vs. Dec</u>
MRO Items	75	Increasing	From No Change
Capital Goods	75	Increasing	From No Change
Raw Materials	75	Increasing	From No Change
Components	75	Increasing	From Decreasing
Computers	75	Increasing	From Decreasing
Services	75	Increasing	From No Change

Lead Times

MRO Items	75	Increasing	Faster
Capital Goods	75	Increasing	From No Change
Raw Materials	75	Increasing	From No Change
Components	75	Increasing	From No Change
Computers	75	Increasing	From No Change
Services	50	No Change	From No Change

<u>Supplier Performance</u>	<u>February</u>	<u>February vs. Dec</u>	<u>February vs. Dec</u>
MRO Items	75	Improving	From No Change
Capital Goods	75	Improving	From No Change
Raw Materials	75	Improving	From No Change
Components	75	Improving	From No Change
Computers	75	Improving	Faster
Services	75	Improving	Faster