



**March 2007**  
**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 stayed the same in March as in February. 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 March of 52.4 percent compared to the seasonally adjusted 54.3 percent registered in February, indicating a slower rate of growth in business activity in March. (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 March is 75. Prices increased in all sectors. Lead times for services in our Denver survey also increased. The March index is 75.

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

The Employment Index remained unchanged in March.

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

The ISM March New Orders decreased to 53.8 percent in March from the seasonally adjusted 54.8 percent registered in February. This indicates continued expansion of new orders, but at a slower rate than in February. ISM's Non-Manufacturing Employment Index for March is 50.8 percent, a 1.4 percentage point decrease from the seasonally adjusted 52.2 percent reported in February. 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.

## March 2007 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>March</u>	<u>March vs. February</u>	<u>March vs. February</u>	<u>March</u>	<u>March vs. February</u>	<u>March vs. February</u>
Purchasing Managers' Index	37.5	Decreasing	No Change	NA*	NA	NA
Production	25	Decreasing	No Change	52.4	Increasing	Slower
New Orders	25	Decreasing	No Change	53.8	Increasing	Slower
Backlog of Orders	25	Decreasing	No Change	52.5	Increasing	From Decreasing
Prices	75	Increasing	No Change	63.3	Increasing	Faster
Lead Times	75	Increasing	No Change	50	No Change	From Increasing
Raw Material Inventory	25	Decreasing	No Change	52*	Increasing	Faster
Finished Goods Inventory	50	No Change	No Change	NA	NA	NA
Employment	50	No Change	No Change	50.8	Increasing	Slower
Availability of Skilled Labor	25	Decreasing	No Change	NA	NA	NA
Availability of Unskilled Labor	50	No Change	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>
<u>Prices:</u>	<u>March</u>	<u>March vs. February</u>	<u>March vs. February</u>

<b>MRO Items</b>	75	Increasing	No Change
<b>Capital Goods</b>	75	Increasing	No Change
<b>Raw Materials</b>	75	Increasing	No Change
<b>Components</b>	75	Increasing	No Change
<b>Computers</b>	75	Increasing	No Change
<b>Services</b>	75	Increasing	No Change

**Lead Times**

<b>MRO Items</b>	75	Increasing	No Change
<b>Capital Goods</b>	75	Increasing	No Change
<b>Raw Materials</b>	75	Increasing	No Change
<b>Components</b>	75	Increasing	No Change
<b>Computers</b>	75	Increasing	No Change
<b>Services</b>	50	No Change	No Change

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