



September 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 was 51.5 in September. The Denver Non-Manufacturing Index compares to the Institute for Supply Management's (ISM) Non-Manufacturing NMI (Non-Manufacturing Index) of 53.2 percent, indicating continued growth in the non-manufacturing sector for the ninth consecutive month. ISM's Non-Manufacturing Business Activity Index in September registered 52.8 percent, a decrease of 1.6 percentage points when compared to the 54.4 percent registered in August. Ten industries reported increased business activity, and four industries reported decreased activity for the month of September. Four industries reported no change from August. Comments from respondents include: "Not as many projects going on as last year" and "Order cancellations, delays [and] pricing pressures." The industries reporting growth of business activity in September — listed in order — are: Management of Companies & Support Services; Accommodation & Food Services; Finance & Insurance; Utilities; Professional, Scientific & Technical Services; Health Care & Social Assistance; Wholesale Trade; Retail Trade; Transportation & Warehousing; and Information. The industries reporting decreased business activity in September are: Mining; Public Administration; Other Services; and Educational Services. (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 was 53.6 in September. Prices increased in the MRO and Raw Materials sectors, decreased in the Computers and Services sectors and remained unchanged in the Capital Goods and Components sectors. The overall Lead Time index was 52 in September. Lead times increased in the Components and Computers sectors, decreased in the MRO sector and remained unchanged in the Capital Goods, Raw Materials and Services sectors.

The New Orders Index was 40 in September. The Raw Materials Inventory was 66.7 and the Finished Goods Inventory Index was 58.3 in September.

September's Non-Manufacturing Employment Index was 62.5. The Availability of Skilled Workers Index was 56.3 and the Availability of Unskilled Workers Index also was 71.4 in September.

Supplier performance in our Denver Non-Manufacturing survey worsened in the Services sector and remained unchanged in all other sectors.

ISM's Non-Manufacturing New Orders Index registered 54.9 percent, which is an increase of 2.5 percentage points from the 52.4 percent reported in August. Comments from respondents include: "Clients deciding to act and not wait any longer" and "Major and minor capital expenditures." ISM's Employment Index registered 50.2 percent. This reflects an increase of 2 percentage points when compared to the 48.2 percent registered in August. Nine industries reported increased employment, six industries reported decreased employment, and three industries reported unchanged employment compared to August. Comments from respondents include: "New sales and business initiatives" and "Increased business activity." 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 September'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.

September 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>
	<u>September</u>	<u>September</u>	<u>September vs. August</u>	<u>September vs. August</u>
Purchasing Managers' Index	51.5	53.2*	Increasing	Faster
Business Activity/ Production	50	52.8	Increasing	Slower
New Orders	54.9	57.1	Increasing	Faster
Backlog of Orders	37.5	48	Decreasing	From Increasing
Imports	50	53	Increasing	Faster
Prices	53.6	60.1	Increasing	Slower
Lead Times	52	55	Increasing	Faster
Raw Material Inventory	66.7	47**	Decreasing	From Increasing
Finished Goods Inventory	58.3	NA	NA	NA
Employment	62.5	50.2	Increasing	From Decreasing
Availability of Skilled Labor	56.3	NA	NA	NA
Availability of Unskilled Labor	71.4	NA	NA	NA

*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.

Colo. Index

Prices: September

MRO Items	58.3
Capital Goods	50
Raw Materials	66.7
Components	50
Computers	42.9
Services	41.7

Supplier Performance September

MRO Items	50
Capital Goods	50
Raw Materials	50
Components	50
Computers	50
Services	41.7

Lead Times September

MRO Items	42.9
Capital Goods	50
Raw Materials	50
Components	60
Computers	57.1
Services	50