



April 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 continued its positive trend. The survey indicates a PMI of 60.8 compared to an index of 53.7 in March. The production also increased with an index of 67.7 in April. The Production index in March was 56.7. This month's index compares to the Institute for Supply Management's (ISM) Business Activity/Production Index for April which decreased to 61.7 percent from March's 63.1 percent, indicating a slower rate of growth of activity in April. (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 April at a slower rate than in March. The index for April is 52.6 compared to 63.8 in March. Prices in the MRO, capital goods, components and services sectors increased, the computers sector decreased and the raw materials sector showed no change. Lead times for services in our Denver survey increased in April at a slower rate than in March. The index for lead times overall was 51.3 compared to 54.8 in March.

The new orders index increased in April reversing March's decrease. The raw materials inventory index remained unchanged and the finished goods inventory index showed an increase in April at a slower pace than in March.

The Non-Manufacturing index for employment showed an increase at a slower rate than in March. The availability of skilled labor index increased, while the availability of unskilled labor index showed no change from March.

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

ISM's Non-Manufacturing New Orders Index decreased to 58.8 percent in April from 62.1 percent in March. This indicates continued expansion of new orders but at a slower rate of growth than in March. For the complete ISM report, go to 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.

April 2005 Colorado Front Range Non-Manufacturing Survey

<u>Series</u>	<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>April</u>	<u>April vs. March</u>	<u>April vs. March</u>	<u>April</u>	<u>April vs. March</u>	<u>April vs. March</u>
Purchasing Managers' Index	60.8	Increasing	Faster	NA*	NA	NA
Production	67.7	Increasing	Faster	61.7	Increasing	Slower
New Orders	68.8	Increasing	From Decreasing	58.8	Increasing	Slower
Backlog of Orders	50	No Change	From Decreasing	54	Increasing	Slower
Prices	52.6	Increasing	Slower	61.9	Increasing	Slower
Lead Times	51.3	Increasing	Slower	53	Increasing	No Change
Raw Material Inventory	50	No Change	From Increasing	54.5*	Increasing	Faster
Finished Goods Inventory	57.7	Increasing	Slower	NA	NA	NA
Employment	52.9	Increasing	Slower	53.3	Increasing	Slower
Availability of Skilled Labor	52.9	Increasing	Slower	NA	NA	NA
Availability of Unskilled Labor	50	No Change	From Increasing	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>April</u>	<u>April vs. March</u>	<u>April vs. March</u>
MRO Items	58.8	Increasing	Slower
Capital Goods	58.8	Increasing	Faster
Raw Materials	50	No Change	From Increasing
Components	54.6	Increasing	Slower
Computers	40.6	Decreasing	From Increasing
Services	59.4	Increasing	Slower

Lead Times

MRO Items	50	No Change	From No Change
Capital Goods	55.9	Increasing	Slower
Raw Materials	55.9	Increasing	Slower
Components	40	Decreasing	From No Change
Computers	54.6	Increasing	Slower
Services	46.9	Decreasing	From No Change

Supplier Performance

	<u>April</u>	<u>April vs. March</u>	<u>April vs. March</u>
MRO Items	52.9	Improving	From Worsening
Capital Goods	50	No Change	From Improving
Raw Materials	55	Improving	Slightly Faster
Components	50	No Change	From Improving
Computers	53.1	Improving	Slower
Services	53.1	Improving	Slower