

# **Industry Spotlight**

**Schonfeld & Associates, Inc.**  
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## **About Schonfeld & Associates, Inc.**

Schonfeld & Associates develops and markets business information products. SAI customers are in a wide range of industries from food and financial services to publishing and telecommunications. Customers include major corporations, state and federal government agencies, advertising agencies, accounting firms, libraries and others.

Schonfeld & Associates is located in Libertyville, Illinois, USA and can be found on the web at [www.saiBooks.com](http://www.saiBooks.com)

Advertising spending by company and industry is covered in SAI publications: *Advertising Ratios & Budgets*, *Advertising Growth Trends* and *U.S. Sourcebook of Advertisers*.

Workforce levels along with employee effectiveness is tracked in: *Workforce Ratios & Forecasts* and *Workforce Growth Trends*.

Research & Development expenditures by company and industry are reported in: *R&D Ratios & Budgets*, *Research & Development Growth Trends* and *U.S. Sourcebook of R&D Spenders*.

*IRS Corporate Financial Ratios* is based on corporation tax returns and features 76 financial ratios for each NAICS industry (over 250 in all) for profitable and non-profitable firms in up to four asset size classes.

*Corporate Credit Outlook* and *Credit Risk Watch* provide credit worthiness measures by company and industry.

All of the above publications are also available with database files.

## Preface

*Industry Spotlight* is based on the most recently available income statement and balance sheet data compiled by the Internal Revenue Service of the United States Department of the Treasury. The underlying statistical data is derived from a stratified sample of over 145,000 corporation tax returns selected from more than five million returns filed with the Internal Revenue Service.

There are two primary advantages to this unique reference work. First, it is based on the relatively uniform accounting standards imposed by the Internal Revenue Service. Second, the study focuses on the comparison of financial ratios for companies with and without net income. The contrast between profitable and unprofitable companies is instructive.

There are two primary caveats in the study. First, the raw data used in this study are not made available by the Internal Revenue Service for several years after they are collected. The ratios in this study are based on data from returns with accounting periods that ended during the span of months July 2007 through June 2008. The extensive preparations which go into cleaning and organizing the data make the time lag unavoidable.

Second, the data are slightly biased and tend to understate profitability. Many companies consciously plan tax avoidance as well as compliance. The raw IRS data undoubtedly reflect these efforts.

Despite these caveats, we have found that IRS-based ratios correspond reasonably well to other data sources. The unique framework imposed by standardized financial reporting for tax purposes makes this source superior to others.

Among the several classifications used in this report, tax return data are classified according to the principal business activity of the corporation. Returns were classified in the industry which accounted for the largest portion of total receipts. All classifications used in this study were made by the Internal Revenue Service.



U.S. Total

Total number of companies within the industry is 5,868,849

The average company reports:

Total Assets of	\$ 13,884,553
Cash	\$ 617,696 (4.4% of total assets)
Accts Receivable	\$ 2,609,509 (18.8% of total assets)
Inventory	\$ 282,115 (2.0% of total assets)

Accts Payable of	\$ 1,316,028
------------------	--------------

Business Receipts of	\$ 4,126,430
Cost of Goods Sold	\$ 2,643,316 (64.1% of receipts)
Officer Compensation	\$ 81,660 (2.0% of receipts)
Salaries & Wages	\$ 439,041 (10.6% of receipts)

Bad Debts	\$ 22,157
Rent Expense	\$ 81,243
Interest Expense	\$ 355,284
Employee Benefits	\$ 54,881

Net Income	\$ 312,971
------------	------------

Inventory to Sales Turnover	14.63
Inventory to Costs Turnover	10.93

Salaries and Benefits to Sales	11.97 %
Advertising to Sales	1.15 %

Bad Debts to Accts Receivable	0.85 %
Bad Debts to Receipts	0.54 %

Pension Expense to PBIT	3.42 %
Benefits to PBIT	7.34 %
Officer Compensation to PBIT	10.93 %

Gross Margin	25.30 %
Net Margin	7.58 %

Days Accts Receivable Outstanding	230.82
Days Payable	155.84
Days Working Capital	-20.14
Days Inventory	24.95

Effective Tax Rate	14.55 %
Tax Credit Use	23.42 %

U.S. Total

There are 3,367,720 (57.4% of the total) profitable companies within the industry.

The average profitable company reports:

Total Assets of	\$ 19,940,622
Cash	\$ 886,437 (4.4% of total assets)
Accts Receivable	\$ 3,635,946 (18.2% of total assets)
Inventory	\$ 381,904 (1.9% of total assets)

Accts Payable of	\$ 1,658,692
------------------	--------------

Business Receipts of	\$ 5,979,133
Cost of Goods Sold	\$ 3,839,809 (64.2% of receipts)
Officer Compensation	\$ 107,332 (1.8% of receipts)
Salaries & Wages	\$ 604,511 (10.1% of receipts)

Bad Debts	\$ 30,493
Rent Expense	\$ 104,129
Interest Expense	\$ 455,615
Employee Benefits	\$ 77,526

Net Income	\$ 668,961
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Inventory to Sales Turnover	15.66
Inventory to Costs Turnover	11.64

Salaries and Benefits to Sales	11.41 %
Advertising to Sales	1.13 %

Bad Debts to Accts Receivable	0.84 %
Bad Debts to Receipts	0.51 %

Z Score	1.27
---------	------

Pension Expense to PBIT	2.95 %
Benefits to PBIT	6.15 %
Officer Compensation to PBIT	8.51 %

Gross Margin	25.67 %
Net Margin	11.19 %

Days Accts Receivable Outstanding	221.96
Days Payable	136.22
Days Working Capital	-33.41
Days Inventory	23.31

Effective Tax Rate	12.29 %
Tax Credit Use	23.40 %

U.S. Total

There are 2,501,129 (42.6% of the total)  
unprofitable companies within the industry.

The average company showing a loss reports:

Total Assets of	\$ 5,730,177
Cash	\$ 255,842 (4.5% of total assets)
Accts Receivable	\$ 1,227,433 (21.4% of total assets)
Inventory	\$ 147,753 (2.6% of total assets)

Accts Payable of	\$ 854,637
------------------	------------

Business Receipts of	\$ 1,631,801
Cost of Goods Sold	\$ 1,032,262 (63.3% of receipts)
Officer Compensation	\$ 47,094 (2.9% of receipts)
Salaries & Wages	\$ 216,240 (13.3% of receipts)

Bad Debts	\$ 10,932
Rent Expense	\$ 50,428
Interest Expense	\$ 220,191
Employee Benefits	\$ 24,389

Net Income	\$ -166,361
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Inventory to Sales Turnover	11.04
Inventory to Costs Turnover	8.45

Salaries and Benefits to Sales	14.75 %
Advertising to Sales	1.22 %

Bad Debts to Accts Receivable	0.89 %
Bad Debts to Receipts	0.67 %

Z Score	0.25
---------	------

Pension Expense to PBIT	17.88 %
Benefits to PBIT	44.25 %
Officer Compensation to PBIT	85.45 %

Gross Margin	23.49 %
Net Margin	-10.19 %

Days Accts Receivable Outstanding	274.55
Days Payable	249.85
Days Working Capital	45.33
Days Inventory	33.05

Effective Tax Rate	-0.29 %
Tax Credit Use	28.83 %

U.S. Total  
Assets of less than \$500,000

There are 2,287,351 (59.1% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 104,157
Cash	\$ 30,500 (29.3% of total assets)
Accts Receivable	\$ 10,955 (10.5% of total assets)
Inventory	\$ 10,924 (10.5% of total assets)

Accts Payable of	\$ 9,527
------------------	----------

Business Receipts of	\$ 607,364
Cost of Goods Sold	\$ 241,410 (39.7% of receipts)
Officer Compensation	\$ 59,285 (9.8% of receipts)
Salaries & Wages	\$ 88,859 (14.6% of receipts)

Bad Debts	\$ 457
Rent Expense	\$ 24,981
Interest Expense	\$ 3,371
Employee Benefits	\$ 5,534

Net Income	\$ 55,702
------------	-----------

Inventory to Sales Turnover	55.60
Inventory to Costs Turnover	30.23

Salaries and Benefits to Sales	15.54 %
Advertising to Sales	0.95 %

Bad Debts to Accts Receivable	4.17 %
Bad Debts to Receipts	0.08 %

Z Score	6.96
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Pension Expense to PBIT	7.49 %
Benefits to PBIT	8.87 %
Officer Compensation to PBIT	95.07 %

Gross Margin	45.62 %
Net Margin	9.17 %

Days Accts Receivable Outstanding	6.58
Days Payable	10.53
Days Working Capital	17.35
Days Inventory	6.56

Effective Tax Rate	1.18 %
Tax Credit Use	2.25 %

U.S. Total  
Assets of less than \$500,000

There are 1,583,274 (40.9% of the total)  
unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 96,803
Cash	\$ 15,491 (16.0% of total assets)
Accts Receivable	\$ 8,644 (8.9% of total assets)
Inventory	\$ 11,255 (11.6% of total assets)

Accts Payable of	\$ 12,198
------------------	-----------

Business Receipts of	\$ 333,785
Cost of Goods Sold	\$ 147,669 (44.2% of receipts)
Officer Compensation	\$ 33,551 (10.1% of receipts)
Salaries & Wages	\$ 57,571 (17.2% of receipts)

Bad Debts	\$ 671
Rent Expense	\$ 19,465
Interest Expense	\$ 5,786
Employee Benefits	\$ 4,549

Net Income	\$ -27,180
------------	------------

Inventory to Sales Turnover	29.65
Inventory to Costs Turnover	18.23

Salaries and Benefits to Sales	18.61 %
Advertising to Sales	1.41 %

Bad Debts to Accts Receivable	7.77 %
Bad Debts to Receipts	0.20 %

Z Score	-4.60
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Pension Expense to PBIT	-13.93 %
Benefits to PBIT	-21.26 %
Officer Compensation to PBIT	-156.80 %

Gross Margin	38.51 %
Net Margin	-8.14 %

Days Accts Receivable Outstanding	9.45
Days Payable	21.69
Days Working Capital	3.44
Days Inventory	12.31

Effective Tax Rate	0.01 %
Tax Credit Use	2.85 %

U.S. Total

Assets of from \$500,000 to \$1 Million

There are 233,088 (60.8% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 703,406
Cash	\$ 145,786 (20.7% of total assets)
Accts Receivable	\$ 118,240 (16.8% of total assets)
Inventory	\$ 96,016 (13.7% of total assets)

Accts Payable of	\$ 79,940
------------------	-----------

Business Receipts of	\$ 2,041,876
Cost of Goods Sold	\$ 1,076,694 (52.7% of receipts)
Officer Compensation	\$ 123,683 (6.1% of receipts)
Salaries & Wages	\$ 237,384 (11.6% of receipts)

Bad Debts	\$ 3,078
Rent Expense	\$ 64,733
Interest Expense	\$ 16,328
Employee Benefits	\$ 19,651

Net Income	\$ 146,821
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Inventory to Sales Turnover	21.27
Inventory to Costs Turnover	13.69

Salaries and Benefits to Sales	12.59 %
Advertising to Sales	0.90 %

Bad Debts to Accts Receivable	2.60 %
Bad Debts to Receipts	0.15 %

Z Score	5.45
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Pension Expense to PBIT	5.85 %
Benefits to PBIT	11.16 %
Officer Compensation to PBIT	70.27 %

Gross Margin	35.64 %
Net Margin	7.19 %

Days Accts Receivable Outstanding	21.14
Days Payable	22.20
Days Working Capital	38.60
Days Inventory	17.16

Effective Tax Rate	2.73 %
Tax Credit Use	3.54 %

U.S. Total  
Assets of from \$500,000 to \$1 Million

There are 150,094 (39.2% of the total)  
unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 700,313
Cash	\$ 77,170 (11.0% of total assets)
Accts Receivable	\$ 77,823 (11.1% of total assets)
Inventory	\$ 89,155 (12.7% of total assets)

Accts Payable of	\$ 78,880
------------------	-----------

Business Receipts of	\$ 1,075,390
Cost of Goods Sold	\$ 589,516 (54.8% of receipts)
Officer Compensation	\$ 57,189 (5.3% of receipts)
Salaries & Wages	\$ 165,762 (15.4% of receipts)

Bad Debts	\$ 3,754
Rent Expense	\$ 50,248
Interest Expense	\$ 20,710
Employee Benefits	\$ 12,006

Net Income	\$ -90,074
------------	------------

Inventory to Sales Turnover	12.06
Inventory to Costs Turnover	8.47

Salaries and Benefits to Sales	16.53 %
Advertising to Sales	1.14 %

Bad Debts to Accts Receivable	4.82 %
Bad Debts to Receipts	0.35 %

Z Score	-1.19
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Pension Expense to PBIT	-7.23 %
Benefits to PBIT	-17.31 %
Officer Compensation to PBIT	-82.47 %

Gross Margin	29.77 %
Net Margin	-8.38 %

Days Accts Receivable Outstanding	26.41
Days Payable	38.12
Days Working Capital	26.18
Days Inventory	30.26

Effective Tax Rate	-0.02 %
Tax Credit Use	-0.20 %

U.S. Total

Assets of from \$1 million to \$5 million

There are 260,827 (61.2% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 2,131,453
Cash	\$ 360,635 (16.9% of total assets)
Accts Receivable	\$ 470,980 (22.1% of total assets)
Inventory	\$ 363,223 (17.0% of total assets)

Accts Payable of	\$ 304,209
------------------	------------

Business Receipts of	\$ 5,420,619
Cost of Goods Sold	\$ 3,431,871 (63.3% of receipts)
Officer Compensation	\$ 223,441 (4.1% of receipts)
Salaries & Wages	\$ 539,878 (10.0% of receipts)

Bad Debts	\$ 9,920
Rent Expense	\$ 129,391
Interest Expense	\$ 47,394
Employee Benefits	\$ 53,083

Net Income	\$ 328,735
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Inventory to Sales Turnover	14.92
Inventory to Costs Turnover	10.93

Salaries and Benefits to Sales	10.94 %
Advertising to Sales	0.73 %

Bad Debts to Accts Receivable	2.11 %
Bad Debts to Receipts	0.18 %

Z Score	4.93
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Pension Expense to PBIT	6.14 %
Benefits to PBIT	12.88 %
Officer Compensation to PBIT	54.21 %

Gross Margin	26.73 %
Net Margin	6.06 %

Days Accts Receivable Outstanding	31.71
Days Payable	27.96
Days Working Capital	43.28
Days Inventory	24.46

Effective Tax Rate	4.85 %
Tax Credit Use	2.53 %

U.S. Total

Assets of from \$1 million to \$5 million

There are 165,493 (38.8% of the total)  
unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 2,070,471
Cash	\$ 197,277 (9.5% of total assets)
Accts Receivable	\$ 256,081 (12.4% of total assets)
Inventory	\$ 244,818 (11.8% of total assets)

Accts Payable of	\$ 213,089
------------------	------------

Business Receipts of	\$ 2,647,721
Cost of Goods Sold	\$ 1,673,032 (63.2% of receipts)
Officer Compensation	\$ 104,002 (3.9% of receipts)
Salaries & Wages	\$ 372,030 (14.1% of receipts)

Bad Debts	\$ 12,380
Rent Expense	\$ 93,887
Interest Expense	\$ 55,296
Employee Benefits	\$ 34,631

Net Income	\$ -229,001
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Inventory to Sales Turnover	10.82
Inventory to Costs Turnover	8.35

Salaries and Benefits to Sales	15.36 %
Advertising to Sales	1.03 %

Bad Debts to Accts Receivable	4.83 %
Bad Debts to Receipts	0.47 %

Z Score	-0.83
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Pension Expense to PBIT	-6.16 %
Benefits to PBIT	-19.96 %
Officer Compensation to PBIT	-59.94 %

Gross Margin	22.76 %
Net Margin	-8.65 %

Days Accts Receivable Outstanding	35.30
Days Payable	38.03
Days Working Capital	26.59
Days Inventory	33.75

Effective Tax Rate	-0.08 %
Tax Credit Use	0.55 %

U.S. Total  
Assets of from \$5 million to \$10 million

There are 48,425 (66.4% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 6,961,370
Cash	\$ 975,056 (14.0% of total assets)
Accts Receivable	\$ 1,724,684 (24.8% of total assets)
Inventory	\$ 1,443,062 (20.7% of total assets)

Accts Payable of	\$ 1,075,453
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Business Receipts of	\$ 16,557,582
Cost of Goods Sold	\$ 11,664,812 (70.4% of receipts)
Officer Compensation	\$ 412,546 (2.5% of receipts)
Salaries & Wages	\$ 1,400,536 (8.5% of receipts)

Bad Debts	\$ 27,203
Rent Expense	\$ 305,800
Interest Expense	\$ 126,450
Employee Benefits	\$ 157,524

Net Income	\$ 918,982
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Inventory to Sales Turnover	11.47
Inventory to Costs Turnover	9.05

Salaries and Benefits to Sales	9.41 %
Advertising to Sales	0.62 %

Bad Debts to Accts Receivable	1.58 %
Bad Debts to Receipts	0.16 %

Z Score	4.67
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Pension Expense to PBIT	5.38 %
Benefits to PBIT	13.62 %
Officer Compensation to PBIT	35.68 %

Gross Margin	21.09 %
Net Margin	5.55 %

Days Accts Receivable Outstanding	38.02
Days Payable	30.04
Days Working Capital	43.59
Days Inventory	31.81

Effective Tax Rate	6.50 %
Tax Credit Use	2.71 %

U.S. Total  
Assets of from \$5 million to \$10 million

There are 24,467 (33.6% of the total)  
unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 6,945,733
Cash	\$ 728,201 (10.5% of total assets)
Accts Receivable	\$ 893,011 (12.9% of total assets)
Inventory	\$ 1,211,778 (17.4% of total assets)

Accts Payable of	\$ 708,946
------------------	------------

Business Receipts of	\$ 8,811,713
Cost of Goods Sold	\$ 6,377,241 (72.4% of receipts)
Officer Compensation	\$ 190,513 (2.2% of receipts)
Salaries & Wages	\$ 998,529 (11.3% of receipts)

Bad Debts	\$ 34,557
Rent Expense	\$ 228,987
Interest Expense	\$ 200,531
Employee Benefits	\$ 106,443

Net Income	\$ -787,086
------------	-------------

Inventory to Sales Turnover	7.27
Inventory to Costs Turnover	6.09

Salaries and Benefits to Sales	12.54 %
Advertising to Sales	1.04 %

Bad Debts to Accts Receivable	3.87 %
Bad Debts to Receipts	0.39 %

Z Score	-0.80
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Pension Expense to PBIT	-3.52 %
Benefits to PBIT	-18.24 %
Officer Compensation to PBIT	-32.64 %

Gross Margin	16.30 %
Net Margin	-8.93 %

Days Accts Receivable Outstanding	36.99
Days Payable	35.08
Days Working Capital	39.16
Days Inventory	50.19

Effective Tax Rate	-0.37 %
Tax Credit Use	-0.02 %

U.S. Total  
Assets of from \$10 million to \$25 million

There are 31,213 (66.2% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 15,392,142
Cash	\$ 1,936,087 (12.6% of total assets)
Accts Receivable	\$ 3,872,242 (25.2% of total assets)
Inventory	\$ 2,941,837 (19.1% of total assets)

Accts Payable of	\$ 2,272,162
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Business Receipts of	\$ 33,272,858
Cost of Goods Sold	\$ 24,247,247 (72.9% of receipts)
Officer Compensation	\$ 602,895 (1.8% of receipts)
Salaries & Wages	\$ 2,669,607 (8.0% of receipts)

Bad Debts	\$ 50,503
Rent Expense	\$ 526,307
Interest Expense	\$ 275,482
Employee Benefits	\$ 335,737

Net Income	\$ 1,860,793
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Inventory to Sales Turnover	11.31
Inventory to Costs Turnover	9.15

Salaries and Benefits to Sales	9.03 %
Advertising to Sales	0.62 %

Bad Debts to Accts Receivable	1.30 %
Bad Debts to Receipts	0.15 %

Z Score	4.29
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Pension Expense to PBIT	4.32 %
Benefits to PBIT	13.85 %
Officer Compensation to PBIT	24.88 %

Gross Margin	19.10 %
Net Margin	5.59 %

Days Accts Receivable Outstanding	42.48
Days Payable	30.81
Days Working Capital	42.23
Days Inventory	32.27

Effective Tax Rate	8.27 %
Tax Credit Use	2.70 %

U.S. Total

Assets of from \$10 million to \$25 million

There are 15,941 (33.8% of the total)  
unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 15,284,921
Cash	\$ 1,602,131 (10.5% of total assets)
Accts Receivable	\$ 2,049,703 (13.4% of total assets)
Inventory	\$ 2,348,608 (15.4% of total assets)

Accts Payable of	\$ 1,620,523
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Business Receipts of	\$ 16,419,360
Cost of Goods Sold	\$ 11,859,583 (72.2% of receipts)
Officer Compensation	\$ 323,223 (2.0% of receipts)
Salaries & Wages	\$ 2,031,620 (12.4% of receipts)

Bad Debts	\$ 69,793
Rent Expense	\$ 419,704
Interest Expense	\$ 386,439
Employee Benefits	\$ 206,275

Net Income	\$ -1,556,041
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Inventory to Sales Turnover	6.99
Inventory to Costs Turnover	5.91

Salaries and Benefits to Sales	13.63 %
Advertising to Sales	1.10 %

Bad Debts to Accts Receivable	3.41 %
Bad Debts to Receipts	0.43 %

Z Score	-0.60
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Pension Expense to PBIT	-3.89 %
Benefits to PBIT	-17.67 %
Officer Compensation to PBIT	-27.69 %

Gross Margin	15.40 %
Net Margin	-9.48 %

Days Accts Receivable Outstanding	45.56
Days Payable	42.58
Days Working Capital	39.97
Days Inventory	52.21

Effective Tax Rate	-0.14 %
Tax Credit Use	0.66 %

U.S. Total

Assets of from \$25 million to \$50 million

There are 11,445 (66.7% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 35,210,130
Cash	\$ 3,819,908 (10.8% of total assets)
Accts Receivable	\$ 8,691,238 (24.7% of total assets)
Inventory	\$ 5,193,476 (14.7% of total assets)

Accts Payable of	\$ 4,629,924
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Business Receipts of	\$ 56,727,677
Cost of Goods Sold	\$ 40,946,567 (72.2% of receipts)
Officer Compensation	\$ 850,452 (1.5% of receipts)
Salaries & Wages	\$ 4,580,600 (8.1% of receipts)

Bad Debts	\$ 112,647
Rent Expense	\$ 880,348
Interest Expense	\$ 606,922
Employee Benefits	\$ 603,543

Net Income	\$ 3,525,211
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Inventory to Sales Turnover	10.92
Inventory to Costs Turnover	8.77

Salaries and Benefits to Sales	9.14 %
Advertising to Sales	0.74 %

Bad Debts to Accts Receivable	1.30 %
Bad Debts to Receipts	0.20 %

Z Score	3.79
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Pension Expense to PBIT	4.33 %
Benefits to PBIT	12.67 %
Officer Compensation to PBIT	17.85 %

Gross Margin	19.74 %
Net Margin	6.21 %

Days Accts Receivable Outstanding	55.92
Days Payable	37.12
Days Working Capital	48.93
Days Inventory	33.42

Effective Tax Rate	9.18 %
Tax Credit Use	4.07 %

U.S. Total

Assets of from \$25 million to \$50 million

There are 5,706 (33.3% of the total)

unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 34,691,361
Cash	\$ 3,275,932 (9.4% of total assets)
Accts Receivable	\$ 5,451,291 (15.7% of total assets)
Inventory	\$ 4,125,547 (11.9% of total assets)

Accts Payable of	\$ 3,732,126
------------------	--------------

Business Receipts of	\$ 32,900,397
Cost of Goods Sold	\$ 23,894,234 (72.6% of receipts)
Officer Compensation	\$ 577,437 (1.8% of receipts)
Salaries & Wages	\$ 3,719,218 (11.3% of receipts)

Bad Debts	\$ 144,585
Rent Expense	\$ 820,714
Interest Expense	\$ 893,122
Employee Benefits	\$ 460,988

Net Income	\$ -3,135,245
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Inventory to Sales Turnover	7.97
Inventory to Costs Turnover	6.69

Salaries and Benefits to Sales	12.71 %
Advertising to Sales	1.07 %

Bad Debts to Accts Receivable	2.65 %
Bad Debts to Receipts	0.44 %

Z Score	-0.44
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Pension Expense to PBIT	-4.68 %
Benefits to PBIT	-20.57 %
Officer Compensation to PBIT	-25.76 %

Gross Margin	16.07 %
Net Margin	-9.53 %

Days Accts Receivable Outstanding	60.48
Days Payable	49.33
Days Working Capital	44.38
Days Inventory	45.77

Effective Tax Rate	-0.05 %
Tax Credit Use	13.12 %

U.S. Total

Assets of from \$50 million to \$100 million

There are 7,586 (69.5% of the total)

profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 70,960,918
Cash	\$ 6,131,463 (8.6% of total assets)
Accts Receivable	\$ 17,766,918 (25.0% of total assets)
Inventory	\$ 7,058,527 (9.9% of total assets)

Accts Payable of	\$ 7,922,639
------------------	--------------

Business Receipts of	\$ 76,784,668
Cost of Goods Sold	\$ 53,403,940 (69.6% of receipts)
Officer Compensation	\$ 1,093,132 (1.4% of receipts)
Salaries & Wages	\$ 6,916,895 (9.0% of receipts)

Bad Debts	\$ 160,300
Rent Expense	\$ 1,156,546
Interest Expense	\$ 1,148,216
Employee Benefits	\$ 901,078

Net Income	\$ 5,513,839
------------	--------------

Inventory to Sales Turnover	10.88
Inventory to Costs Turnover	8.55

Salaries and Benefits to Sales	10.18 %
Advertising to Sales	0.79 %

Bad Debts to Accts Receivable	0.90 %
Bad Debts to Receipts	0.21 %

Z Score	3.20
---------	------

Pension Expense to PBIT	3.63 %
Benefits to PBIT	11.62 %
Officer Compensation to PBIT	14.10 %

Gross Margin	21.44 %
Net Margin	7.18 %

Days Accts Receivable Outstanding	84.46
Days Payable	47.94
Days Working Capital	54.77
Days Inventory	33.55

Effective Tax Rate	10.82 %
Tax Credit Use	5.95 %

U.S. Total

Assets of from \$50 million to \$100 million

There are 3,330 (30.5% of the total)

unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 70,242,662
Cash	\$ 5,977,804 (8.5% of total assets)
Accts Receivable	\$ 11,446,351 (16.3% of total assets)
Inventory	\$ 6,246,193 (8.9% of total assets)

Accts Payable of	\$ 6,314,894
------------------	--------------

Business Receipts of	\$ 49,019,446
Cost of Goods Sold	\$ 32,732,045 (66.8% of receipts)
Officer Compensation	\$ 783,247 (1.6% of receipts)
Salaries & Wages	\$ 6,418,698 (13.1% of receipts)

Bad Debts	\$ 273,960
Rent Expense	\$ 1,535,653
Interest Expense	\$ 1,798,845
Employee Benefits	\$ 730,607

Net Income	\$ -5,365,996
------------	---------------

Inventory to Sales Turnover	7.85
Inventory to Costs Turnover	6.27

Salaries and Benefits to Sales	14.58 %
Advertising to Sales	1.25 %

Bad Debts to Accts Receivable	2.39 %
Bad Debts to Receipts	0.56 %

Z Score	-0.06
---------	-------

Pension Expense to PBIT	-5.70 %
Benefits to PBIT	-21.04 %
Officer Compensation to PBIT	-22.56 %

Gross Margin	20.13 %
Net Margin	-10.95 %

Days Accts Receivable Outstanding	85.23
Days Payable	58.87
Days Working Capital	59.62
Days Inventory	46.51

Effective Tax Rate	-0.09 %
Tax Credit Use	-9.98 %

U.S. Total

Assets of from \$100 million to \$250 million

There are 7,351 (75.3% of the total)

profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 168,066,771
Cash	\$ 10,105,974 (6.0% of total assets)
Accts Receivable	\$ 42,331,190 (25.2% of total assets)
Inventory	\$ 9,537,038 (5.7% of total assets)

Accts Payable of	\$ 17,950,185
------------------	---------------

Business Receipts of	\$ 104,886,732
Cost of Goods Sold	\$ 71,554,389 (68.2% of receipts)
Officer Compensation	\$ 1,316,095 (1.3% of receipts)
Salaries & Wages	\$ 9,876,089 (9.4% of receipts)

Bad Debts	\$ 272,659
Rent Expense	\$ 1,699,941
Interest Expense	\$ 2,729,397
Employee Benefits	\$ 1,328,345

Net Income	\$ 8,537,664
------------	--------------

Inventory to Sales Turnover	11.00
Inventory to Costs Turnover	8.54

Salaries and Benefits to Sales	10.68 %
Advertising to Sales	0.96 %

Bad Debts to Accts Receivable	0.64 %
Bad Debts to Receipts	0.26 %

Z Score	2.41
---------	------

Pension Expense to PBIT	3.13 %
Benefits to PBIT	9.88 %
Officer Compensation to PBIT	9.79 %

Gross Margin	22.36 %
Net Margin	8.14 %

Days Accts Receivable Outstanding	147.31
Days Payable	80.46
Days Working Capital	54.20
Days Inventory	33.19

Effective Tax Rate	11.86 %
Tax Credit Use	6.50 %

U.S. Total

Assets of from \$100 million to \$250 million

There are 2,406 (24.7% of the total)

unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 131,970,438
Cash	\$ 10,571,254 (8.0% of total assets)
Accts Receivable	\$ 22,027,189 (16.7% of total assets)
Inventory	\$ 9,873,595 (7.5% of total assets)

Accts Payable of	\$ 3,924,586
------------------	--------------

Business Receipts of	\$ 85,875,151
Cost of Goods Sold	\$ 54,803,097 (63.8% of receipts)
Officer Compensation	\$ 1,188,452 (1.4% of receipts)
Salaries & Wages	\$ 12,275,289 (14.3% of receipts)

Bad Debts	\$ 769,401
Rent Expense	\$ 2,519,013
Interest Expense	\$ 4,018,072
Employee Benefits	\$ 1,610,823

Net Income	\$ -9,334,246
------------	---------------

Inventory to Sales Turnover	8.70
Inventory to Costs Turnover	6.79

Salaries and Benefits to Sales	16.17 %
Advertising to Sales	1.34 %

Bad Debts to Accts Receivable	3.49 %
Bad Debts to Receipts	0.90 %

Z Score	0.45
---------	------

Pension Expense to PBIT	-4.66 %
Benefits to PBIT	-28.24 %
Officer Compensation to PBIT	-20.84 %

Gross Margin	21.89 %
Net Margin	-10.87 %

Days Accts Receivable Outstanding	93.62
Days Payable	21.36
Days Working Capital	90.88
Days Inventory	41.97

Effective Tax Rate	0.66 %
Tax Credit Use	2.83 %

U.S. Total  
Assets of from \$250 million to \$500 million

There are 4,070 (79.0% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 365,991,454
Cash	\$ 16,596,043 (4.5% of total assets)
Accts Receivable	\$ 76,570,105 (20.9% of total assets)
Inventory	\$ 14,927,999 (4.1% of total assets)

Accts Payable of	\$ 28,449,557
------------------	---------------

Business Receipts of	\$ 162,278,771
Cost of Goods Sold	\$ 107,101,116 (66.0% of receipts)
Officer Compensation	\$ 1,642,831 (1.0% of receipts)
Salaries & Wages	\$ 16,315,146 (10.1% of receipts)

Bad Debts	\$ 809,920
Rent Expense	\$ 2,623,383
Interest Expense	\$ 5,572,439
Employee Benefits	\$ 2,581,788

Net Income	\$ 16,780,734
------------	---------------

Inventory to Sales Turnover	10.87
Inventory to Costs Turnover	8.27

Salaries and Benefits to Sales	11.64 %
Advertising to Sales	1.06 %

Bad Debts to Accts Receivable	1.06 %
Bad Debts to Receipts	0.50 %

Z Score	2.51
---------	------

Pension Expense to PBIT	2.95 %
Benefits to PBIT	9.78 %
Officer Compensation to PBIT	6.22 %

Gross Margin	23.95 %
Net Margin	10.34 %

Days Accts Receivable Outstanding	172.22
Days Payable	84.14
Days Working Capital	65.38
Days Inventory	33.58

Effective Tax Rate	13.05 %
Tax Credit Use	10.93 %

U.S. Total

Assets of from \$250 million to \$500 million

There are 1,085 (21.0% of the total)

unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 341,978,830
Cash	\$ 19,524,822 (5.7% of total assets)
Accts Receivable	\$ 47,265,175 (13.8% of total assets)
Inventory	\$ 17,013,536 (5.0% of total assets)

Accts Payable of	\$ 27,087,324
------------------	---------------

Business Receipts of	\$ 179,869,893
Cost of Goods Sold	\$ 123,949,041 (68.9% of receipts)
Officer Compensation	\$ 1,663,088 (0.9% of receipts)
Salaries & Wages	\$ 20,694,168 (11.5% of receipts)

Bad Debts	\$ 917,275
Rent Expense	\$ 6,196,859
Interest Expense	\$ 9,863,822
Employee Benefits	\$ 2,649,113

Net Income	\$ -16,196,380
------------	----------------

Inventory to Sales Turnover	10.57
Inventory to Costs Turnover	8.50

Salaries and Benefits to Sales	12.98 %
Advertising to Sales	1.41 %

Bad Debts to Accts Receivable	1.94 %
Bad Debts to Receipts	0.51 %

Z Score	0.03
---------	------

Pension Expense to PBIT	-11.39 %
Benefits to PBIT	-47.62 %
Officer Compensation to PBIT	-29.90 %

Gross Margin	19.58 %
Net Margin	-9.00 %

Days Accts Receivable Outstanding	95.91
Days Payable	68.35
Days Working Capital	62.97
Days Inventory	34.52

Effective Tax Rate	0.57 %
Tax Credit Use	13.90 %

U.S. Total  
Assets of from \$500 million to \$2.5 billion

There are 5,498 (81.5% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 1,289,327,732
Cash	\$ 39,836,083 (3.1% of total assets)
Accts Receivable	\$ 189,927,361 (14.7% of total assets)
Inventory	\$ 36,114,361 (2.8% of total assets)

Accts Payable of	\$ 85,290,987
------------------	---------------

Business Receipts of	\$ 429,765,639
Cost of Goods Sold	\$ 271,186,526 (63.1% of receipts)
Officer Compensation	\$ 3,259,204 (0.8% of receipts)
Salaries & Wages	\$ 50,774,935 (11.8% of receipts)

Bad Debts	\$ 1,950,473
Rent Expense	\$ 7,983,419
Interest Expense	\$ 33,026,701
Employee Benefits	\$ 7,213,789

Net Income	\$ 49,870,653
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Inventory to Sales Turnover	11.90
Inventory to Costs Turnover	8.92

Salaries and Benefits to Sales	13.49 %
Advertising to Sales	1.18 %

Bad Debts to Accts Receivable	1.03 %
Bad Debts to Receipts	0.45 %

Z Score	2.27
---------	------

Pension Expense to PBIT	2.37 %
Benefits to PBIT	7.61 %
Officer Compensation to PBIT	3.44 %

Gross Margin	25.08 %
Net Margin	11.60 %

Days Accts Receivable Outstanding	161.31
Days Payable	96.69
Days Working Capital	38.42
Days Inventory	30.67

Effective Tax Rate	13.60 %
Tax Credit Use	16.74 %

U.S. Total  
Assets of from \$500 million to \$2.5 billion

There are 1,251 (18.5% of the total)  
unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 480,125,556
Cash	\$ 33,844,201 (7.0% of total assets)
Accts Receivable	\$ -6,310,317 (-1.3% of total assets)
Inventory	\$ 40,963,679 (8.5% of total assets)

Accts Payable of	\$ 81,049,979
------------------	---------------

Business Receipts of	\$ 369,992,406
Cost of Goods Sold	\$ 256,045,218 (69.2% of receipts)
Officer Compensation	\$ 3,250,489 (0.9% of receipts)
Salaries & Wages	\$ 38,748,166 (10.5% of receipts)

Bad Debts	\$ 850,325
Rent Expense	\$ 9,122,621
Interest Expense	\$ -47,600,024
Employee Benefits	\$ 5,229,994

Net Income	\$ -41,259,597
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Inventory to Sales Turnover	9.03
Inventory to Costs Turnover	7.20

Salaries and Benefits to Sales	11.89 %
Advertising to Sales	1.37 %

Bad Debts to Accts Receivable	-13.48 %
Bad Debts to Receipts	0.23 %

Z Score	1.12
---------	------

Pension Expense to PBIT	-2.32 %
Benefits to PBIT	-5.82 %
Officer Compensation to PBIT	-3.62 %

Gross Margin	20.32 %
Net Margin	-11.15 %

Days Accts Receivable Outstanding	-6.23
Days Payable	100.35
Days Working Capital	99.94
Days Inventory	40.41

Effective Tax Rate	2.57 %
Tax Credit Use	65.86 %

U.S. Total  
Assets of \$2.5 billion or more

There are 2,467 (86.6% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 22,141,749,045
Cash	\$ 903,416,388 (4.1% of total assets)
Accts Receivable	\$ 4,038,797,524 (18.2% of total assets)
Inventory	\$ 218,860,918 (1.0% of total assets)

Accts Payable of	\$ 1,829,541,496
------------------	------------------

Business Receipts of	\$ 3,968,743,057
Cost of Goods Sold	\$ 2,634,007,261 (66.4% of receipts)
Officer Compensation	\$ 15,891,052 (0.4% of receipts)
Salaries & Wages	\$ 379,142,854 (9.6% of receipts)

Bad Debts	\$ 30,826,337
Rent Expense	\$ 49,559,403
Interest Expense	\$ 484,717,687
Employee Benefits	\$ 55,162,168

Net Income	\$ 549,799,969
------------	----------------

Inventory to Sales Turnover	18.13
Inventory to Costs Turnover	13.77

Salaries and Benefits to Sales	10.94 %
Advertising to Sales	1.38 %

Bad Debts to Accts Receivable	0.76 %
Bad Debts to Receipts	0.78 %

Z Score	0.93
---------	------

Pension Expense to PBIT	2.63 %
Benefits to PBIT	4.77 %
Officer Compensation to PBIT	1.37 %

Gross Margin	24.08 %
Net Margin	13.85 %

Days Accts Receivable Outstanding	371.44
Days Payable	221.62
Days Working Capital	-111.79
Days Inventory	20.13

Effective Tax Rate	14.05 %
Tax Credit Use	27.71 %

U.S. Total  
Assets of \$2.5 billion or more

There are 381 (13.4% of the total)  
unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 30,436,283,921
Cash	\$ 1,050,453,679 (3.5% of total assets)
Accts Receivable	\$ 7,302,075,680 (24.0% of total assets)
Inventory	\$ 243,942,517 (0.8% of total assets)

Accts Payable of	\$ 4,843,605,315
------------------	------------------

Business Receipts of	\$ 2,865,549,354
Cost of Goods Sold	\$ 1,823,325,976 (63.6% of receipts)
Officer Compensation	\$ 21,850,527 (0.8% of receipts)
Salaries & Wages	\$ 363,466,047 (12.7% of receipts)

Bad Debts	\$ 36,474,774
Rent Expense	\$ 54,295,716
Interest Expense	\$ 1,289,858,217
Employee Benefits	\$ 51,970,112

Net Income	\$ -259,227,414
------------	-----------------

Inventory to Sales Turnover	11.75
Inventory to Costs Turnover	8.96

Salaries and Benefits to Sales	14.50 %
Advertising to Sales	1.23 %

Bad Debts to Accts Receivable	0.50 %
Bad Debts to Receipts	1.27 %

Z Score	0.45
---------	------

Pension Expense to PBIT	2.50 %
Benefits to PBIT	5.00 %
Officer Compensation to PBIT	2.10 %

Gross Margin	23.69 %
Net Margin	-9.05 %

Days Accts Receivable Outstanding	930.10
Days Payable	808.45
Days Working Capital	48.55
Days Inventory	31.07

Effective Tax Rate	-2.60 %
Tax Credit Use	55.73 %

## DEFINITIONS AND INTERPRETATIONS

**Inventory to Sales Turnover** is computed by dividing sales by inventory. It measures the average annual rate of inventory flowthrough to customers. Above average inventory sales turnover can indicate that a firm is more efficient at managing its inventories than its competitors. It can also indicate more effective marketing and merchandising methods. Low inventory turnover often reflects problems such as overstocking, overly optimistic sales forecasts, obsolescence, or the failure to write off unsalable merchandise.

**Inventory to Costs Turnover** is computed by dividing cost of sales and operations by inventory. It is a measure of the value of inventories held in relationship to the costs of production. Cost of sales and operations is the sum of cost of goods sold and non-officer salaries and wages. If inventory cost turnover is above average, a firm may be either an inefficient producer and purchaser of goods or may be very efficient at managing the flow of raw materials and finished goods to customers. Inventory cost turnover should be examined in light of gross profit margin. The well managed firm typically has high margins as well as high inventory turnover.

**Salaries and Benefits to Sales** is computed by dividing the sum of non-officer salaries and wages plus employee benefits expense by sales. If a firm's salaries and benefits to sales ratio is below the industry average, it may indicate that its labor force is more productive than average or that they are relatively underpaid and/or have relatively fewer or less expensive benefits. If the ratio is above average for the industry, it may indicate a competitive industry where high levels of salary and benefits are required to attract relatively scarce qualified workers.

**Advertising to Sales** is computed by dividing advertising expense by sales. It measures the results of advertising programs and the advertising intensity of an industry or business. A below average ratio may indicate a more effective advertising program or more appealing products. A high ratio often indicates intense competition among firms within the industry.

**Bad Debts to Accounts Receivable** is computed by dividing bad debts by accounts receivable. It is an historical measure which indicates the percentage of accounts receivable which go uncollected. Investigation is required to determine the exact cause for excessive bad debts to receivables.

**Bad Debts to Receipts** is computed by dividing bad debts by sales. It is an historical measure which indicates the percentage of sales which are never paid for by customers. An above average bad debt to receipts ratio indicates that a firm is not careful in its dealings with customers.

**Z Score** is one of the most commonly used measures for predicting corporate bankruptcy. It is based on five ratios and two sets of constants, the first set for manufacturing firms.

The ratios are:	Constants for Mfg:	Non-Mfg:
Working Capital to Total Assets	.717	6.56
Retained Earnings to Total Assets	.847	3.26
Total Equity to Total Liabilities	.42	1.05
Sales to Total Assets	.998	0.
Profit Before Interest and Taxes to Total Assets.	3.107	6.72

The ratio of Working Capital, defined as Current Assets minus Current Liabilities, to Total Assets measures net liquid assets in relation to total assets. Retained Earnings to Total Assets measures profitability over time. The ratio of Total Equity to Total Liabilities measures operating efficiency. Sales to Total Assets indicates the sales generating ability of the firm's assets. Return on Total Assets, defined as Profit Before Interest and Taxes divided by Total Assets, is a measure of operating efficiency.

The ratios are each multiplied by the appropriate constant and the sum is the Z Score. A value of 1.1 or less (1.23 for manufacturing firms) indicates a firm likely headed for bankruptcy within two years. A value of 2.6 or greater (2.9 for manufacturing firms) indicates a firm likely to be safe from bankruptcy in the next two years. A Z Score between these values is in a gray area where a higher score indicates a financially healthier firm.

The Z Score was originally developed by Edward Altman to predict bankruptcy in publicly traded firms. The model has been adapted for privately held firms and for non-manufacturing firms by use of different constants.

**Pension Expense to PBIT** is calculated by dividing pension expense by profit before interest and taxes. This ratio reflects the employment practices within an industry. Thus, if a firm has a relatively low ratio of pension expense to PBIT, it may not be competitive in the labor markets and attractive to prospective employees.

**Benefits to PBIT** is computed by dividing employee benefits expense by profit before interest and taxes. It measures benefits as a percentage of profit before interest and taxes, the profits employees can influence most directly by their performance and productivity. If a firm does not offer current and prospective employees benefits which are equal to or better than the competitors in its industry, the firm may not be able to attract and retain sufficient numbers of high quality employees.

**Officer Compensation to PBIT** is computed by dividing officer compensation by profit before interest and taxes. In small corporations, officer compensation may be a substantial proportion of total PBIT.

**Gross Margin** is computed by dividing gross profit by sales. By definition, gross profit is sales minus cost of sales and operations. Gross margin reflects the basic profitability of a business.

**Net Margin** is net income divided by sales. Net margin is the after tax profitability of an industry or firm. It is the ultimate bottom line measure of profitability.

**Days Accts Receivable Outstanding** is the average number of days between recognition of a sale and collection of funds. It is computed by multiplying accounts receivable by 365 and dividing by total annual receipts. The greater the number of days receivable, the higher the probability of collection problems and delinquencies.

**Days Payable** is the average number of days between receipt of an invoice and payment of funds. It is computed by multiplying accounts payable by 365 and dividing by total annual cost of sales and operations. It describes the number of days required for a supplier to receive payment of an invoice. Typically, days payable will average 40 to 50 days for well managed companies.

**Days Working Capital** is the number of days of working capital available to finance operations. It is computed by multiplying total working capital by 365 and dividing by total annual sales. Working capital is current assets minus current liabilities.

**Days Inventory** is the number of days of inventory held at the end of the fiscal year relative to annual sales. It is computed by multiplying total inventory by 365 and dividing by annual receipts. Days inventory is a time oriented measure of the short term sales capacity of an industry or firm. It describes the number of days of inventory available to support the sales function.

**Effective Tax Rate** is computed by dividing total Federal income taxes paid by profit before tax. It is a measure of how well management has utilized opportunities to shelter before tax income for the benefit of owners.

**Tax Credit Use** is computed by dividing total tax credits by the sum of total tax credits and total taxes paid. It is a percent of potential tax obligations which were sheltered by smart tax planning and utilization of tax credits.

# SCHONFELD & ASSOCIATES INDUSTRY SPOTLIGHT REPORTS

## Report No. NAICS Industry Description

1	<b>U.S. TOTAL</b>
2	<b>AGRICULTURE, FORESTRY, FISHING, AND HUNTING</b>
3	Agricultural Production
4	Forestry and Logging
5	Support Activities and Fishing, Hunting and Trapping
6	<b>MINING</b>
7	Oil & Gas Extraction
8	Coal Mining
9	Metal Ore Mining
10	Nonmetallic Mineral Mining & Quarrying
11	Support Activities for Mining
12	<b>UTILITIES</b>
13	Electric Power Generation, Transmission & Distribution
14	Natural Gas Distribution
15	Water, Sewage & Other Systems
16	Combination Gas & Electric
17	<b>CONSTRUCTION</b>
18	Construction of Buildings
19	Heavy & Civil Engg Construction and Land Subdivision
20	Heavy & Civil Engg Construction
21	Land Subdivision
22	Specialty Trade Contractors
23	Electrical Contractors
24	Plumbing, Heating, & Air-Conditioning Contractors
25	Other Specialty Trade Contractors
26	<b>MANUFACTURING</b>
27	Food Manufacturing
28	Animal Food & Grain & Oilseed Milling
29	Sugar & Confectionery Product
30	Fruit, Vegetable Preserving, & Specialty Food
31	Dairy Product
32	Meat and Seafood Processing
33	Bakeries & Tortilla
34	Other Food
35	Beverage and Tobacco Product Manufacturing
36	Soft Drink & Ice
37	Breweries
38	Wineries & Distilleries
39	Tobacco Manufacturing
40	Textile Mills and Textile Product Mills
41	Textile Mills
42	Textile Product Mills
43	Apparel Manufacturing
44	Apparel Knitting Mills
45	Cut & Sew Apparel Contractors & Mfrs.
46	Apparel Accessories & Other Apparel
47	Leather and Allied Product Manufacturing
48	Wood Product Manufacturing

49	Paper Manufacturing
50	Pulp, Paper, & Paperboard Mills
51	Converted Paper Product
52	Printing & Related Support Activities
53	Petroleum and Coal Products Manufacturing
54	Petroleum Refineries (including integrated)
55	Asphalt Paving, Roofing, Other Petroleum & Coal Products
56	Chemical Manufacturing
57	Basic Chemical
58	Resin, Synthetic Rubber & Fibers & Filaments
59	Pharmaceutical & Medicine
60	Paint, Coating, & Adhesive
61	Soap, Cleaning Compound, & Toilet Preparation
62	Chemical Product and Preparation
63	Plastics and Rubber Products Manufacturing
64	Plastics Product
65	Rubber Product
66	Nonmetallic Mineral Product Manufacturing
67	Clay, Refractory & Other Nonmetallic Mineral Product
68	Glass & Glass Product
69	Cement, Concrete, Lime & Gypsum Product
70	Primary Metal Manufacturing
71	Iron, Steel Mills & Steel Product
72	Nonferrous Metal Production & Processing
73	Foundries
74	Fabricated Metal Product Manufacturing
75	Forging & Stamping
76	Cutlery, Hardware, Spring & Wire Machine Shops, Nut, Bolt
77	Architectural & Structural Metals
78	Boiler, Tank, & Shipping Container
79	Coating, Engraving, Heat Treating, & Allied Activities
80	Other Fabricated Metal Product
81	Machinery Manufacturing
82	Agriculture, Construction, & Mining Machinery
83	Industrial Machinery
84	Commercial & Service Industry Machinery
85	Ventilation, Heating, Air-conditioning, Commercial Refrig Equipment
86	Metalworking Machinery
87	Engine, Turbine & Power Transmission Equipment
88	Other General Purpose Machinery
89	Computer and Electronic Product Manufacturing
90	Computer & Peripheral Equipment
91	Communications Equipment
92	Audio & Video Equipment, & Reproducing Magnetic & Optical Media
93	Semiconductor & Other Electronic Component
94	Navigational, Measuring, Electromedical, & Control Instruments
95	Electrical Equipment, Appliance, and Component Manufacturing
96	Electrical Lighting Equipment & Household Appliance
97	Electrical Equipment
98	Other Electrical Equipment & Component
99	Transportation Equipment Manufacturing
100	Motor Vehicles and Parts
101	Aerospace Product & Parts

102	Ship & Boat Building
103	Other Transportation Equipment & Railroad Rolling Stock
104	Furniture & Related Product Manufacturing
105	Miscellaneous Manufacturing
106	Medical Equipment & Supplies
107	Other Miscellaneous Manufacturing
108	<b>WHOLESALE AND RETAIL TRADE</b>
109	<b>WHOLESALE TRADE</b>
110	Wholesale Trade, Durable Goods
111	Motor Vehicle & Motor Vehicle Parts & Supplies Wholesalers
112	Lumber & Other Construction Materials Wholesalers
113	Professional & Commercial Equipment & Supplies Wholesalers
114	Metal & Mineral (except Petroleum) Wholesalers
115	Electrical Goods Wholesalers
116	Hardware, Plumbing, Heating Equipment, & Supplies Wholesalers
117	Machinery, Equipment, & Supplies Wholesalers
118	Furniture, Sports, Toys, Recycle, Jewelry, Other Durable Goods
119	Wholesale Trade, Nondurable Goods
120	Paper & Paper Product Wholesalers
121	Drugs & Druggists' Sundries Wholesalers
122	Apparel, Piece Goods, & Notions Wholesalers
123	Grocery & Related Product Wholesalers
124	Farm Product Raw Material Wholesalers
125	Chemical & Allied Products Wholesalers
126	Petroleum & Petroleum Products Wholesalers
127	Beer, Wine, & Distilled Alcoholic Beverage Wholesalers
128	Miscellaneous Nondurable Goods Wholesalers
129	Wholesale Electronic Markets and Agents and Brokers
130	<b>RETAIL TRADE</b>
131	Motor Vehicle Dealers and Parts Dealers
132	New & Used Car Dealers
133	Other Motor Vehicle and Parts Dealers
134	Furniture and Home Furnishings Stores
135	Electronics and Appliance Stores
136	Building Material and Garden Equipment and Supplies Dealers
137	Homes Centers; Paint and Wallpaper Stores
138	Hardware Stores
139	Other Building Material Dealers
140	Lawn & Garden Equipment & Supplies Stores
141	Food, Beverage & Liquor Stores
142	Food and Beverage Stores
143	Beer, Wine, & Liquor Stores
144	Health and Personal Care Stores
145	Gasoline Stations
146	Clothing and Clothing Accessories Stores
147	Sporting Goods, Hobby, Book, and Music Stores
148	General Merchandise Stores
149	Miscellaneous Store Retailers
150	Nonstore Retailers
151	<b>WHOLESALE &amp; RETAIL NOT ALLOCABLE</b>
152	<b>TRANSPORTATION AND WAREHOUSING</b>
153	Air, Rail, and Water Transportation
154	Air Transportation

155	Rail Transportation
156	Water Transportation
157	Truck Transportation
158	Transit and Ground Passenger Transportation
159	Pipeline Transportation
160	Other Transportation & Support Activities
161	Warehousing and Storage
162	<b>INFORMATION</b>
163	Publishing Industries
164	Newspaper Publishers
165	Periodical Publishers
166	Book Publishers
167	Database, Directory, & Other Publishers
168	Software Publishers
169	Motion Picture and Sound Recording Industries
170	Motion Picture & Video Industries (except video rental)
171	Sound Recording Industries
172	Broadcasting, Radio & TV, Cable Networks, Program Distribution
173	Telecommunications (including paging, cellular, satellite)
174	Internet Service Providers, Web Search Portals, and Data Processing Services
175	Other Information Services (including news syndicates, internet pub, libraries)
176	<b>FINANCE AND INSURANCE</b>
177	Credit Intermediation
178	Depository Credit Intermediation
179	Commercial Banking
180	Savings Institutions, Credit Unions & Other Credit Intermediation
181	Nondepository Credit Intermediation
182	Credit Card Issuing & Other Consumer Credit
183	Real Estate Credit (including mortgage bankers & originators)
184	International and Secondary Financing and Other Credit Intermediation
185	Activities Related to Credit Intermediation (including loan brokers)
186	Securities, Commodity Contracts, Other Financial Investment, Related Activities
187	Investment Banking & Securities Dealing
188	Securities Brokerage
189	Commodity Contracts Dealing & Brokerage
190	Securities & Commodity Exchanges, Other Financial Investment Activities
191	Insurance Carriers and Related Activities
192	Life Insurance
193	Life Insurance, Stock Companies (Form 1120L)
194	Life Insurance, Mutual Companies (Form 1120L)
195	Mutual Property and Casualty Companies (Form 1120-PC)
196	Stock Property and Casualty Companies (Form 1120-PC)
197	Insurance Agencies & Brokerages
198	Other Insurance Related Activities
199	Other Financial Vehicles and Other Investment Companies
200	Open-End Investment Funds (Form 1120-RIC)
201	Other Financial Vehicles
202	<b>REAL ESTATE AND RENTAL AND LEASING</b>
203	Real Estate
204	Lessors of Buildings
205	Lessors of Miniwarehouses, Self-Storage Units, & Other Real Estate
206	Offices of Real Estate Agents & Brokers
207	Other Real Estate Activities

208	Rental and Leasing Services
209	Automotive Equipment Rental & Leasing
210	Other Consumer Goods & General Rental Centers
211	Commercial & Industrial Machinery & Equipment Rental & Leasing
212	Lessors of Nonfinancial Intangible Assets (except copyrighted works)
213	<b>PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES</b>
214	Legal Services
215	Accounting, Tax Preparation, Bookkeeping, and Payroll Services
216	Architectural, Engineering, and Related Services
217	Specialized Design Services
218	Computer Systems Design and Related Services
219	Management, Scientific, & Technical Consulting Services
220	Scientific Research & Development Services
221	Advertising & Related Services
222	Other Professional, Scientific, & Technical Services
223	<b>MANAGEMENT OF COMPANIES (HOLDING COMPANIES)</b>
224	Offices of Bank Holding Companies
225	Offices of Other Holding Companies
226	<b>ADMINISTRATIVE, SUPPORT, WASTE MANAGEMENT, REMEDIATION SVCS</b>
227	Administrative and Support Services
228	Employment Services
229	Travel Arrangement & Reservation Services
230	Other Administrative and Support Services
231	Waste Management & Remediation Services
232	<b>EDUCATIONAL SERVICES</b>
233	<b>HEALTH CARE AND SOCIAL ASSISTANCE</b>
234	Offices of Health Practitioners and Outpatient Care Centers
235	Offices of Physicians
236	Offices of Dentists
237	Offices of Other Health Practitioners
238	Outpatient Care Centers
239	Misc. Health Care and Social Assistance
240	Hospitals, Nursing, and Residential Care Facilities
241	<b>ARTS, ENTERTAINMENT, AND RECREATION</b>
242	Other Arts, Entertainment, and Recreation
243	Amusement, Gambling, and Recreation Industries
244	<b>ACCOMMODATION AND FOOD SERVICES</b>
245	Accommodation
246	Food Services and Drinking Places
247	<b>OTHER SERVICES</b>
248	Repair and Maintenance
249	Automotive Repair & Maintenance
250	Other Repair & Maintenance
251	Personal and Laundry Services
252	Religious, Grantmaking, Civic, Professional, & Similar Organizations
253	<b>NOT ALLOCABLE</b>