

# **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 2006 through June 2007. 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 5,840,799

The average company reports:

Total Assets of	\$ 12,512,097
Cash	\$ 496,800 (4.0% of total assets)
Accts Receivable	\$ 2,330,308 (18.6% of total assets)
Inventory	\$ 276,160 (2.2% of total assets)

Accts Payable of	\$ 1,331,792
------------------	--------------

Business Receipts of	\$ 3,990,945
Cost of Goods Sold	\$ 2,533,831 (63.5% of receipts)
Officer Compensation	\$ 81,076 (2.0% of receipts)
Salaries & Wages	\$ 420,673 (10.5% of receipts)

Bad Debts	\$ 18,124
Rent Expense	\$ 79,100
Interest Expense	\$ 305,969
Employee Benefits	\$ 54,000

Net Income	\$ 331,011
------------	------------

Inventory to Sales Turnover	14.45
Inventory to Costs Turnover	10.70

Salaries and Benefits to Sales	11.89 %
Advertising to Sales	1.19 %

Bad Debts to Accts Receivable	0.78 %
Bad Debts to Receipts	0.45 %

Pension Expense to PBIT	3.57 %
Benefits to PBIT	7.43 %
Officer Compensation to PBIT	11.16 %

Gross Margin	25.97 %
Net Margin	8.29 %

Days Accts Receivable Outstanding	213.12
Days Payable	164.53
Days Working Capital	-46.26
Days Inventory	25.26

Effective Tax Rate	14.63 %
Tax Credit Use	20.74 %

U.S. Total

There are 3,367,313 (57.7% of the total) profitable companies within the industry.

The average profitable company reports:

Total Assets of	\$ 19,595,296
Cash	\$ 766,061 (3.9% of total assets)
Accts Receivable	\$ 3,759,725 (19.2% of total assets)
Inventory	\$ 390,120 (2.0% of total assets)

Accts Payable of	\$ 2,118,401
------------------	--------------

Business Receipts of	\$ 5,802,970
Cost of Goods Sold	\$ 3,679,331 (63.4% of receipts)
Officer Compensation	\$ 105,738 (1.8% of receipts)
Salaries & Wages	\$ 593,525 (10.2% of receipts)

Bad Debts	\$ 25,071
Rent Expense	\$ 105,389
Interest Expense	\$ 472,236
Employee Benefits	\$ 76,322

Net Income	\$ 665,104
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Inventory to Sales Turnover	14.87
Inventory to Costs Turnover	10.95

Salaries and Benefits to Sales	11.54 %
Advertising to Sales	1.17 %

Bad Debts to Accts Receivable	0.67 %
Bad Debts to Receipts	0.43 %

Z Score	1.08
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Pension Expense to PBIT	2.88 %
Benefits to PBIT	5.92 %
Officer Compensation to PBIT	8.20 %

Gross Margin	26.37 %
Net Margin	11.46 %

Days Accts Receivable Outstanding	236.48
Days Payable	180.96
Days Working Capital	-57.26
Days Inventory	24.54

Effective Tax Rate	13.02 %
Tax Credit Use	20.76 %

U.S. Total

There are 2,473,486 (42.3% of the total) unprofitable companies within the industry.

The average company showing a loss reports:

Total Assets of	\$ 2,869,290
Cash	\$ 130,237 (4.5% of total assets)
Accts Receivable	\$ 384,351 (13.4% of total assets)
Inventory	\$ 121,019 (4.2% of total assets)

Accts Payable of	\$ 260,931
------------------	------------

Business Receipts of	\$ 1,524,120
Cost of Goods Sold	\$ 974,389 (63.9% of receipts)
Officer Compensation	\$ 47,502 (3.1% of receipts)
Salaries & Wages	\$ 185,360 (12.2% of receipts)

Bad Debts	\$ 8,666
Rent Expense	\$ 43,311
Interest Expense	\$ 79,619
Employee Benefits	\$ 23,611

Net Income	\$ -123,809
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Inventory to Sales Turnover	12.59
Inventory to Costs Turnover	9.58

Salaries and Benefits to Sales	13.71 %
Advertising to Sales	1.31 %

Bad Debts to Accts Receivable	2.25 %
Bad Debts to Receipts	0.57 %

Z Score	-0.15
---------	-------

Pension Expense to PBIT	-26.52 %
Benefits to PBIT	-58.81 %
Officer Compensation to PBIT	-118.31 %

Gross Margin	23.91 %
Net Margin	-8.12 %

Days Accts Receivable Outstanding	92.05
Days Payable	82.12
Days Working Capital	10.79
Days Inventory	28.98

Effective Tax Rate	-0.32 %
Tax Credit Use	9.80 %

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

There are 2,289,565 (58.9% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 104,706
Cash	\$ 30,085 (28.7% of total assets)
Accts Receivable	\$ 11,647 (11.1% of total assets)
Inventory	\$ 11,094 (10.6% of total assets)

Accts Payable of	\$ 9,591
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Business Receipts of	\$ 580,237
Cost of Goods Sold	\$ 229,639 (39.6% of receipts)
Officer Compensation	\$ 55,586 (9.6% of receipts)
Salaries & Wages	\$ 81,070 (14.0% of receipts)

Bad Debts	\$ 510
Rent Expense	\$ 24,153
Interest Expense	\$ 2,963
Employee Benefits	\$ 5,172

Net Income	\$ 54,717
------------	-----------

Inventory to Sales Turnover	52.30
Inventory to Costs Turnover	28.01

Salaries and Benefits to Sales	14.86 %
Advertising to Sales	1.05 %

Bad Debts to Accts Receivable	4.39 %
Bad Debts to Receipts	0.09 %

Z Score	6.89
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Pension Expense to PBIT	7.28 %
Benefits to PBIT	8.46 %
Officer Compensation to PBIT	90.86 %

Gross Margin	46.45 %
Net Margin	9.43 %

Days Accts Receivable Outstanding	7.33
Days Payable	11.27
Days Working Capital	18.28
Days Inventory	6.98

Effective Tax Rate	1.34 %
Tax Credit Use	1.85 %

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

There are 1,599,985 (41.1% of the total)  
unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 96,664
Cash	\$ 14,511 (15.0% of total assets)
Accts Receivable	\$ 9,278 (9.6% of total assets)
Inventory	\$ 10,725 (11.1% of total assets)

Accts Payable of	\$ 11,535
------------------	-----------

Business Receipts of	\$ 350,739
Cost of Goods Sold	\$ 147,582 (42.1% of receipts)
Officer Compensation	\$ 38,595 (11.0% of receipts)
Salaries & Wages	\$ 60,662 (17.3% of receipts)

Bad Debts	\$ 930
Rent Expense	\$ 18,671
Interest Expense	\$ 3,966
Employee Benefits	\$ 5,153

Net Income	\$ -26,212
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Inventory to Sales Turnover	32.70
Inventory to Costs Turnover	19.42

Salaries and Benefits to Sales	18.76 %
Advertising to Sales	1.20 %

Bad Debts to Accts Receivable	10.03 %
Bad Debts to Receipts	0.27 %

Z Score	-4.56
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Pension Expense to PBIT	-14.63 %
Benefits to PBIT	-23.17 %
Officer Compensation to PBIT	-173.50 %

Gross Margin	40.63 %
Net Margin	-7.47 %

Days Accts Receivable Outstanding	9.66
Days Payable	20.22
Days Working Capital	2.09
Days Inventory	11.16

Effective Tax Rate	0.00 %
Tax Credit Use	0.00 %

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

There are 238,378 (62.1% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 705,866
Cash	\$ 144,756 (20.5% of total assets)
Accts Receivable	\$ 119,458 (16.9% of total assets)
Inventory	\$ 99,245 (14.1% of total assets)

Accts Payable of	\$ 83,065
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Business Receipts of	\$ 2,154,040
Cost of Goods Sold	\$ 1,164,654 (54.1% of receipts)
Officer Compensation	\$ 130,738 (6.1% of receipts)
Salaries & Wages	\$ 273,646 (12.7% of receipts)

Bad Debts	\$ 2,837
Rent Expense	\$ 68,501
Interest Expense	\$ 16,431
Employee Benefits	\$ 20,213

Net Income	\$ 138,735
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Inventory to Sales Turnover	21.70
Inventory to Costs Turnover	14.49

Salaries and Benefits to Sales	13.64 %
Advertising to Sales	0.84 %

Bad Debts to Accts Receivable	2.38 %
Bad Debts to Receipts	0.13 %

Z Score	5.22
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Pension Expense to PBIT	6.37 %
Benefits to PBIT	11.96 %
Officer Compensation to PBIT	77.35 %

Gross Margin	33.23 %
Net Margin	6.44 %

Days Accts Receivable Outstanding	20.24
Days Payable	21.08
Days Working Capital	35.36
Days Inventory	16.82

Effective Tax Rate	3.09 %
Tax Credit Use	1.58 %

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

There are 145,530 (37.9% of the total)  
unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 697,308
Cash	\$ 72,441 (10.4% of total assets)
Accts Receivable	\$ 86,186 (12.4% of total assets)
Inventory	\$ 85,831 (12.3% of total assets)

Accts Payable of	\$ 76,720
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Business Receipts of	\$ 1,060,850
Cost of Goods Sold	\$ 611,419 (57.6% of receipts)
Officer Compensation	\$ 52,561 (5.0% of receipts)
Salaries & Wages	\$ 147,184 (13.9% of receipts)

Bad Debts	\$ 7,372
Rent Expense	\$ 44,592
Interest Expense	\$ 19,411
Employee Benefits	\$ 12,438

Net Income	\$ -83,843
------------	------------

Inventory to Sales Turnover	12.36
Inventory to Costs Turnover	8.84

Salaries and Benefits to Sales	15.05 %
Advertising to Sales	1.23 %

Bad Debts to Accts Receivable	8.55 %
Bad Debts to Receipts	0.69 %

Z Score	-0.60
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Pension Expense to PBIT	-8.11 %
Benefits to PBIT	-19.31 %
Officer Compensation to PBIT	-81.58 %

Gross Margin	28.49 %
Net Margin	-7.90 %

Days Accts Receivable Outstanding	29.65
Days Payable	36.91
Days Working Capital	35.06
Days Inventory	29.53

Effective Tax Rate	0.00 %
Tax Credit Use	0.00 %

U.S. Total

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

There are 263,938 (62.7% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 2,143,555
Cash	\$ 342,003 (16.0% of total assets)
Accts Receivable	\$ 477,540 (22.3% of total assets)
Inventory	\$ 379,618 (17.7% of total assets)

Accts Payable of	\$ 308,963
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Business Receipts of	\$ 5,417,028
Cost of Goods Sold	\$ 3,385,959 (62.5% of receipts)
Officer Compensation	\$ 214,311 (4.0% of receipts)
Salaries & Wages	\$ 577,352 (10.7% of receipts)

Bad Debts	\$ 10,177
Rent Expense	\$ 130,312
Interest Expense	\$ 43,678
Employee Benefits	\$ 57,026

Net Income	\$ 335,100
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Inventory to Sales Turnover	14.27
Inventory to Costs Turnover	10.44

Salaries and Benefits to Sales	11.71 %
Advertising to Sales	0.70 %

Bad Debts to Accts Receivable	2.13 %
Bad Debts to Receipts	0.19 %

Z Score	4.90
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Pension Expense to PBIT	5.96 %
Benefits to PBIT	13.57 %
Officer Compensation to PBIT	51.00 %

Gross Margin	26.84 %
Net Margin	6.19 %

Days Accts Receivable Outstanding	32.18
Days Payable	28.45
Days Working Capital	42.95
Days Inventory	25.58

Effective Tax Rate	4.97 %
Tax Credit Use	2.26 %

U.S. Total  
Assets of from \$1 million to \$5 million

There are 157,064 (37.3% of the total)  
unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 2,059,531
Cash	\$ 195,502 (9.5% of total assets)
Accts Receivable	\$ 253,786 (12.3% of total assets)
Inventory	\$ 263,143 (12.8% of total assets)

Accts Payable of	\$ 203,626
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Business Receipts of	\$ 2,465,538
Cost of Goods Sold	\$ 1,563,985 (63.4% of receipts)
Officer Compensation	\$ 104,063 (4.2% of receipts)
Salaries & Wages	\$ 318,168 (12.9% of receipts)

Bad Debts	\$ 13,487
Rent Expense	\$ 81,969
Interest Expense	\$ 52,901
Employee Benefits	\$ 31,829

Net Income	\$ -211,234
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Inventory to Sales Turnover	9.37
Inventory to Costs Turnover	7.15

Salaries and Benefits to Sales	14.20 %
Advertising to Sales	1.09 %

Bad Debts to Accts Receivable	5.31 %
Bad Debts to Receipts	0.55 %

Z Score	-0.93
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Pension Expense to PBIT	-5.72 %
Benefits to PBIT	-20.14 %
Officer Compensation to PBIT	-65.85 %

Gross Margin	23.66 %
Net Margin	-8.57 %

Days Accts Receivable Outstanding	37.57
Days Payable	39.49
Days Working Capital	30.87
Days Inventory	38.96

Effective Tax Rate	-0.07 %
Tax Credit Use	-0.01 %

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

There are 49,320 (69.1% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 7,022,599
Cash	\$ 928,132 (13.2% of total assets)
Accts Receivable	\$ 1,723,383 (24.5% of total assets)
Inventory	\$ 1,518,045 (21.6% of total assets)

Accts Payable of	\$ 1,098,380
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Business Receipts of	\$ 16,603,383
Cost of Goods Sold	\$ 11,703,253 (70.5% of receipts)
Officer Compensation	\$ 420,401 (2.5% of receipts)
Salaries & Wages	\$ 1,379,270 (8.3% of receipts)

Bad Debts	\$ 22,896
Rent Expense	\$ 303,226
Interest Expense	\$ 137,259
Employee Benefits	\$ 154,298

Net Income	\$ 944,183
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Inventory to Sales Turnover	10.94
Inventory to Costs Turnover	8.62

Salaries and Benefits to Sales	9.24 %
Advertising to Sales	0.61 %

Bad Debts to Accts Receivable	1.33 %
Bad Debts to Receipts	0.14 %

Z Score	4.39
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Pension Expense to PBIT	5.13 %
Benefits to PBIT	12.89 %
Officer Compensation to PBIT	35.13 %

Gross Margin	21.21 %
Net Margin	5.69 %

Days Accts Receivable Outstanding	37.89
Days Payable	30.64
Days Working Capital	40.45
Days Inventory	33.37

Effective Tax Rate	6.30 %
Tax Credit Use	2.57 %

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

There are 22,087 (30.9% of the total)  
unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 7,010,896
Cash	\$ 791,952 (11.3% of total assets)
Accts Receivable	\$ 901,831 (12.9% of total assets)
Inventory	\$ 1,199,322 (17.1% of total assets)

Accts Payable of	\$ 738,769
------------------	------------

Business Receipts of	\$ 9,152,752
Cost of Goods Sold	\$ 6,501,905 (71.0% of receipts)
Officer Compensation	\$ 193,228 (2.1% of receipts)
Salaries & Wages	\$ 1,119,348 (12.2% of receipts)

Bad Debts	\$ 37,680
Rent Expense	\$ 241,189
Interest Expense	\$ 179,517
Employee Benefits	\$ 115,228

Net Income	\$ -715,026
------------	-------------

Inventory to Sales Turnover	7.63
Inventory to Costs Turnover	6.35

Salaries and Benefits to Sales	13.49 %
Advertising to Sales	1.08 %

Bad Debts to Accts Receivable	4.18 %
Bad Debts to Receipts	0.41 %

Z Score	-0.89
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Pension Expense to PBIT	-3.70 %
Benefits to PBIT	-21.55 %
Officer Compensation to PBIT	-36.14 %

Gross Margin	16.73 %
Net Margin	-7.81 %

Days Accts Receivable Outstanding	35.96
Days Payable	35.38
Days Working Capital	29.14
Days Inventory	47.83

Effective Tax Rate	-0.11 %
Tax Credit Use	0.01 %

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

There are 30,871 (68.6% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 15,453,409
Cash	\$ 1,853,414 (12.0% of total assets)
Accts Receivable	\$ 3,850,177 (24.9% of total assets)
Inventory	\$ 3,044,720 (19.7% of total assets)

Accts Payable of	\$ 2,340,054
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Business Receipts of	\$ 32,826,762
Cost of Goods Sold	\$ 23,965,006 (73.0% of receipts)
Officer Compensation	\$ 595,784 (1.8% of receipts)
Salaries & Wages	\$ 2,569,640 (7.8% of receipts)

Bad Debts	\$ 50,217
Rent Expense	\$ 513,192
Interest Expense	\$ 274,412
Employee Benefits	\$ 341,582

Net Income	\$ 1,854,109
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Inventory to Sales Turnover	10.78
Inventory to Costs Turnover	8.71

Salaries and Benefits to Sales	8.87 %
Advertising to Sales	0.72 %

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

Z Score	4.13
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Pension Expense to PBIT	4.34 %
Benefits to PBIT	14.16 %
Officer Compensation to PBIT	24.70 %

Gross Margin	19.17 %
Net Margin	5.65 %

Days Accts Receivable Outstanding	42.81
Days Payable	32.19
Days Working Capital	40.20
Days Inventory	33.85

Effective Tax Rate	8.04 %
Tax Credit Use	3.15 %

U.S. Total

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

There are 14,104 (31.4% of the total)  
unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 15,260,171
Cash	\$ 1,576,271 (10.3% of total assets)
Accts Receivable	\$ 2,172,778 (14.2% of total assets)
Inventory	\$ 2,244,229 (14.7% of total assets)

Accts Payable of	\$ 1,714,909
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Business Receipts of	\$ 17,178,237
Cost of Goods Sold	\$ 12,454,767 (72.5% of receipts)
Officer Compensation	\$ 292,735 (1.7% of receipts)
Salaries & Wages	\$ 1,951,955 (11.4% of receipts)

Bad Debts	\$ 105,414
Rent Expense	\$ 378,216
Interest Expense	\$ 381,276
Employee Benefits	\$ 228,441

Net Income	\$ -1,447,068
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Inventory to Sales Turnover	7.65
Inventory to Costs Turnover	6.42

Salaries and Benefits to Sales	12.69 %
Advertising to Sales	1.20 %

Bad Debts to Accts Receivable	4.85 %
Bad Debts to Receipts	0.61 %

Z Score	-0.80
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Pension Expense to PBIT	-3.90 %
Benefits to PBIT	-21.50 %
Officer Compensation to PBIT	-27.56 %

Gross Margin	16.13 %
Net Margin	-8.42 %

Days Accts Receivable Outstanding	46.17
Days Payable	43.45

Days Working Capital	33.66
Days Inventory	47.68

Effective Tax Rate	-0.24 %
Tax Credit Use	0.08 %

U.S. Total  
Assets of from \$25 million to \$50 million

There are 11,775 (70.2% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 34,900,158
Cash	\$ 3,529,625 (10.1% of total assets)
Accts Receivable	\$ 8,636,639 (24.7% of total assets)
Inventory	\$ 5,540,545 (15.9% of total assets)

Accts Payable of	\$ 4,747,915
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Business Receipts of	\$ 58,387,432
Cost of Goods Sold	\$ 42,307,244 (72.5% of receipts)
Officer Compensation	\$ 879,147 (1.5% of receipts)
Salaries & Wages	\$ 4,742,588 (8.1% of receipts)

Bad Debts	\$ 105,183
Rent Expense	\$ 848,658
Interest Expense	\$ 617,807
Employee Benefits	\$ 588,554

Net Income	\$ 3,506,543
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Inventory to Sales Turnover	10.54
Inventory to Costs Turnover	8.49

Salaries and Benefits to Sales	9.13 %
Advertising to Sales	0.80 %

Bad Debts to Accts Receivable	1.22 %
Bad Debts to Receipts	0.18 %

Z Score	3.64
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Pension Expense to PBIT	4.44 %
Benefits to PBIT	12.29 %
Officer Compensation to PBIT	18.36 %

Gross Margin	19.42 %
Net Margin	6.01 %

Days Accts Receivable Outstanding	53.99
Days Payable	36.83
Days Working Capital	44.54
Days Inventory	34.64

Effective Tax Rate	9.51 %
Tax Credit Use	4.14 %

U.S. Total

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

There are 4,990 (29.8% of the total)

unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 34,938,723
Cash	\$ 3,521,800 (10.1% of total assets)
Accts Receivable	\$ 5,489,317 (15.7% of total assets)
Inventory	\$ 3,644,224 (10.4% of total assets)

Accts Payable of	\$ 3,534,541
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Business Receipts of	\$ 31,614,042
Cost of Goods Sold	\$ 22,657,222 (71.7% of receipts)
Officer Compensation	\$ 537,863 (1.7% of receipts)
Salaries & Wages	\$ 3,608,832 (11.4% of receipts)

Bad Debts	\$ 155,914
Rent Expense	\$ 753,214
Interest Expense	\$ 793,399
Employee Benefits	\$ 434,800

Net Income	\$ -3,386,675
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Inventory to Sales Turnover	8.68
Inventory to Costs Turnover	7.21

Salaries and Benefits to Sales	12.79 %
Advertising to Sales	1.21 %

Bad Debts to Accts Receivable	2.84 %
Bad Debts to Receipts	0.49 %

Z Score	-0.43
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Pension Expense to PBIT	-3.61 %
Benefits to PBIT	-17.00 %
Officer Compensation to PBIT	-21.02 %

Gross Margin	16.92 %
Net Margin	-10.71 %

Days Accts Receivable Outstanding	63.38
Days Payable	49.12
Days Working Capital	52.61
Days Inventory	42.07

Effective Tax Rate	-0.13 %
Tax Credit Use	0.00 %

U.S. Total

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

There are 7,674 (72.6% of the total)

profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 76,815,488
Cash	\$ 5,680,097 (7.4% of total assets)
Accts Receivable	\$ 19,548,112 (25.4% of total assets)
Inventory	\$ 7,521,840 (9.8% of total assets)

Accts Payable of	\$ 11,057,051
------------------	---------------

Business Receipts of	\$ 76,057,258
Cost of Goods Sold	\$ 52,604,765 (69.2% of receipts)
Officer Compensation	\$ 1,074,541 (1.4% of receipts)
Salaries & Wages	\$ 6,821,734 (9.0% of receipts)

Bad Debts	\$ 161,270
Rent Expense	\$ 1,182,708
Interest Expense	\$ 1,277,052
Employee Benefits	\$ 916,042

Net Income	\$ 5,445,728
------------	--------------

Inventory to Sales Turnover	10.11
Inventory to Costs Turnover	7.90

Salaries and Benefits to Sales	10.17 %
Advertising to Sales	0.89 %

Bad Debts to Accts Receivable	0.82 %
Bad Debts to Receipts	0.21 %

Z Score	2.86
---------	------

Pension Expense to PBIT	3.79 %
Benefits to PBIT	11.49 %
Officer Compensation to PBIT	13.48 %

Gross Margin	21.87 %
Net Margin	7.16 %

Days Accts Receivable Outstanding	93.81
Days Payable	67.91
Days Working Capital	46.58
Days Inventory	36.10

Effective Tax Rate	10.69 %
Tax Credit Use	4.89 %

U.S. Total

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

There are 2,896 (27.4% of the total)

unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 55,068,375
Cash	\$ 5,973,454 (10.8% of total assets)
Accts Receivable	\$ 7,216,586 (13.1% of total assets)
Inventory	\$ 5,180,063 (9.4% of total assets)

Accts Payable of	\$ -408,896
------------------	-------------

Business Receipts of	\$ 47,635,333
Cost of Goods Sold	\$ 32,070,828 (67.3% of receipts)
Officer Compensation	\$ 763,876 (1.6% of receipts)
Salaries & Wages	\$ 6,281,002 (13.2% of receipts)

Bad Debts	\$ 404,023
Rent Expense	\$ 1,420,845
Interest Expense	\$ 1,456,823
Employee Benefits	\$ 746,232

Net Income	\$ -5,296,802
------------	---------------

Inventory to Sales Turnover	9.20
Inventory to Costs Turnover	7.40

Salaries and Benefits to Sales	14.75 %
Advertising to Sales	1.08 %

Bad Debts to Accts Receivable	5.60 %
Bad Debts to Receipts	0.85 %

Z Score	-0.12
---------	-------

Pension Expense to PBIT	-3.78 %
Benefits to PBIT	-19.25 %
Officer Compensation to PBIT	-19.71 %

Gross Margin	19.49 %
Net Margin	-11.12 %

Days Accts Receivable Outstanding	55.30
Days Payable	-3.89
Days Working Capital	88.43
Days Inventory	39.69

Effective Tax Rate	-0.05 %
Tax Credit Use	-6.83 %

U.S. Total  
Assets of from \$100 million to \$250 million

There are 7,388 (77.4% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 162,319,136
Cash	\$ 9,719,362 (6.0% of total assets)
Accts Receivable	\$ 40,979,300 (25.2% of total assets)
Inventory	\$ 10,213,232 (6.3% of total assets)

Accts Payable of	\$ 16,840,218
------------------	---------------

Business Receipts of	\$ 105,765,066
Cost of Goods Sold	\$ 71,789,237 (67.9% of receipts)
Officer Compensation	\$ 1,180,429 (1.1% of receipts)
Salaries & Wages	\$ 9,967,211 (9.4% of receipts)

Bad Debts	\$ 264,790
Rent Expense	\$ 1,687,557
Interest Expense	\$ 2,604,404
Employee Benefits	\$ 1,452,069

Net Income	\$ 9,124,858
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Inventory to Sales Turnover	10.36
Inventory to Costs Turnover	8.00

Salaries and Benefits to Sales	10.80 %
Advertising to Sales	1.02 %

Bad Debts to Accts Receivable	0.65 %
Bad Debts to Receipts	0.25 %

Z Score	2.59
---------	------

Pension Expense to PBIT	2.91 %
Benefits to PBIT	10.32 %
Officer Compensation to PBIT	8.39 %

Gross Margin	22.70 %
Net Margin	8.63 %

Days Accts Receivable Outstanding	141.42
Days Payable	75.18
Days Working Capital	59.09
Days Inventory	35.25

Effective Tax Rate	12.49 %
Tax Credit Use	7.87 %

U.S. Total

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

There are 2,155 (22.6% of the total)

unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 153,972,257
Cash	\$ 10,310,254 (6.7% of total assets)
Accts Receivable	\$ 22,789,723 (14.8% of total assets)
Inventory	\$ 9,405,132 (6.1% of total assets)

Accts Payable of	\$ 14,249,335
------------------	---------------

Business Receipts of	\$ 89,771,817
Cost of Goods Sold	\$ 59,927,562 (66.8% of receipts)
Officer Compensation	\$ 1,379,385 (1.5% of receipts)
Salaries & Wages	\$ 11,252,166 (12.5% of receipts)

Bad Debts	\$ 536,071
Rent Expense	\$ 2,401,946
Interest Expense	\$ 3,849,680
Employee Benefits	\$ 1,489,955

Net Income	\$ -7,596,683
------------	---------------

Inventory to Sales Turnover	9.54
Inventory to Costs Turnover	7.57

Salaries and Benefits to Sales	14.19 %
Advertising to Sales	1.24 %

Bad Debts to Accts Receivable	2.35 %
Bad Debts to Receipts	0.60 %

Z Score	0.09
---------	------

Pension Expense to PBIT	-8.91 %
Benefits to PBIT	-39.08 %
Officer Compensation to PBIT	-36.18 %

Gross Margin	20.71 %
Net Margin	-8.46 %

Days Accts Receivable Outstanding	92.66
Days Payable	73.07
Days Working Capital	62.95
Days Inventory	38.24

Effective Tax Rate	0.21 %
Tax Credit Use	45.52 %

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

There are 4,014 (80.4% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 365,588,511
Cash	\$ 15,754,921 (4.3% of total assets)
Accts Receivable	\$ 76,137,841 (20.8% of total assets)
Inventory	\$ 15,121,205 (4.1% of total assets)

Accts Payable of	\$ 31,853,180
------------------	---------------

Business Receipts of	\$ 164,147,977
Cost of Goods Sold	\$ 110,054,263 (67.0% of receipts)
Officer Compensation	\$ 1,581,173 (1.0% of receipts)
Salaries & Wages	\$ 15,635,674 (9.5% of receipts)

Bad Debts	\$ 634,406
Rent Expense	\$ 3,176,320
Interest Expense	\$ 5,262,194
Employee Benefits	\$ 2,335,787

Net Income	\$ 18,003,780
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Inventory to Sales Turnover	10.86
Inventory to Costs Turnover	8.31

Salaries and Benefits to Sales	10.95 %
Advertising to Sales	0.94 %

Bad Debts to Accts Receivable	0.83 %
Bad Debts to Receipts	0.39 %

Z Score	2.43
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Pension Expense to PBIT	2.66 %
Benefits to PBIT	8.46 %
Officer Compensation to PBIT	5.73 %

Gross Margin	23.43 %
Net Margin	10.97 %

Days Accts Receivable Outstanding	169.30
Days Payable	92.50
Days Working Capital	53.96
Days Inventory	33.62

Effective Tax Rate	13.03 %
Tax Credit Use	9.06 %

U.S. Total

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

There are 977 (19.6% of the total)

unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 358,814,890
Cash	\$ 21,286,890 (5.9% of total assets)
Accts Receivable	\$ 42,839,184 (11.9% of total assets)
Inventory	\$ 16,178,823 (4.5% of total assets)

Accts Payable of	\$ 26,780,334
------------------	---------------

Business Receipts of	\$ 168,588,149
Cost of Goods Sold	\$ 102,685,461 (60.9% of receipts)
Officer Compensation	\$ 2,086,750 (1.2% of receipts)
Salaries & Wages	\$ 25,469,934 (15.1% of receipts)

Bad Debts	\$ 1,708,147
Rent Expense	\$ 3,610,964
Interest Expense	\$ 9,270,473
Employee Benefits	\$ 3,566,811

Net Income	\$ -14,641,421
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Inventory to Sales Turnover	10.42
Inventory to Costs Turnover	7.92

Salaries and Benefits to Sales	17.22 %
Advertising to Sales	1.23 %

Bad Debts to Accts Receivable	3.99 %
Bad Debts to Receipts	1.01 %

Z Score	0.73
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Pension Expense to PBIT	-18.93 %
Benefits to PBIT	-75.53 %
Officer Compensation to PBIT	-44.19 %

Gross Margin	23.98 %
Net Margin	-8.68 %

Days Accts Receivable Outstanding	92.75
Days Payable	76.27
Days Working Capital	93.42
Days Inventory	35.03

Effective Tax Rate	0.51 %
Tax Credit Use	-54.26 %

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

There are 5,311 (83.6% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 1,338,506,289
Cash	\$ 45,433,366 (3.4% of total assets)
Accts Receivable	\$ 200,658,144 (15.0% of total assets)
Inventory	\$ 44,141,106 (3.3% of total assets)

Accts Payable of	\$ 96,808,574
------------------	---------------

Business Receipts of	\$ 498,623,494
Cost of Goods Sold	\$ 317,015,794 (63.6% of receipts)
Officer Compensation	\$ 3,591,617 (0.7% of receipts)
Salaries & Wages	\$ 55,027,763 (11.0% of receipts)

Bad Debts	\$ 1,623,633
Rent Expense	\$ 8,969,614
Interest Expense	\$ 27,097,137
Employee Benefits	\$ 8,448,553

Net Income	\$ 56,182,213
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Inventory to Sales Turnover	11.30
Inventory to Costs Turnover	8.43

Salaries and Benefits to Sales	12.73 %
Advertising to Sales	1.21 %

Bad Debts to Accts Receivable	0.81 %
Bad Debts to Receipts	0.33 %

Z Score	2.42
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Pension Expense to PBIT	2.85 %
Benefits to PBIT	8.59 %
Officer Compensation to PBIT	3.65 %

Gross Margin	25.39 %
Net Margin	11.27 %

Days Accts Receivable Outstanding	146.88
Days Payable	94.98
Days Working Capital	43.16
Days Inventory	32.31

Effective Tax Rate	14.81 %
Tax Credit Use	17.24 %

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

There are 1,040 (16.4% of the total)  
unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 327,521,775
Cash	\$ 25,777,425 (7.9% of total assets)
Accts Receivable	\$ -61,236,912 (-18.7% of total assets)
Inventory	\$ 27,538,626 (8.4% of total assets)

Accts Payable of	\$ 55,964,277
------------------	---------------

Business Receipts of	\$ 284,258,950
Cost of Goods Sold	\$ 198,872,279 (70.0% of receipts)
Officer Compensation	\$ 3,322,742 (1.2% of receipts)
Salaries & Wages	\$ 31,993,680 (11.3% of receipts)

Bad Debts	\$ 1,084,598
Rent Expense	\$ 8,788,595
Interest Expense	\$ -33,783,118
Employee Benefits	\$ 3,973,729

Net Income	\$ -36,506,329
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Inventory to Sales Turnover	10.32
Inventory to Costs Turnover	8.38

Salaries and Benefits to Sales	12.65 %
Advertising to Sales	1.67 %

Bad Debts to Accts Receivable	-1.77 %
Bad Debts to Receipts	0.38 %

Z Score	8.95
---------	------

Pension Expense to PBIT	-3.24 %
Benefits to PBIT	-5.70 %
Officer Compensation to PBIT	-4.76 %

Gross Margin	18.78 %
Net Margin	-12.84 %

Days Accts Receivable Outstanding	-78.63
Days Payable	88.48
Days Working Capital	132.10
Days Inventory	35.36

Effective Tax Rate	2.87 %
Tax Credit Use	72.42 %

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

There are 2,239 (87.2% of the total)  
profitable companies within the industry and size class.

The average profitable company reports:

Total Assets of	\$ 23,854,575,379
Cash	\$ 813,500,155 (3.4% of total assets)
Accts Receivable	\$ 4,622,311,588 (19.4% of total assets)
Inventory	\$ 224,203,569 (0.9% of total assets)

Accts Payable of	\$ 2,669,234,055
------------------	------------------

Business Receipts of	\$ 3,938,312,547
Cost of Goods Sold	\$ 2,525,609,243 (64.1% of receipts)
Officer Compensation	\$ 18,526,825 (0.5% of receipts)
Salaries & Wages	\$ 396,221,944 (10.1% of receipts)

Bad Debts	\$ 27,282,798
Rent Expense	\$ 53,802,539
Interest Expense	\$ 579,873,253
Employee Benefits	\$ 56,476,716

Net Income	\$ 583,933,907
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Inventory to Sales Turnover	17.57
Inventory to Costs Turnover	13.03

Salaries and Benefits to Sales	11.49 %
Advertising to Sales	1.46 %

Bad Debts to Accts Receivable	0.59 %
Bad Debts to Receipts	0.69 %

Z Score	0.68
---------	------

Pension Expense to PBIT	2.48 %
Benefits to PBIT	4.30 %
Officer Compensation to PBIT	1.41 %

Gross Margin	25.81 %
Net Margin	14.83 %

Days Accts Receivable Outstanding	428.39
Days Payable	333.45
Days Working Capital	-175.83
Days Inventory	20.78

Effective Tax Rate	15.14 %
Tax Credit Use	24.13 %

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

There are 329 (12.8% of the total)  
unprofitable companies within the industry and size class.

The average company showing a loss reports:

Total Assets of	\$ 14,561,199,027
Cash	\$ 344,228,130 (2.4% of total assets)
Accts Receivable	\$ 2,301,839,383 (15.8% of total assets)
Inventory	\$ 219,803,227 (1.5% of total assets)

Accts Payable of	\$ 1,251,595,468
------------------	------------------

Business Receipts of	\$ 3,465,712,757
Cost of Goods Sold	\$ 2,409,395,614 (69.5% of receipts)
Officer Compensation	\$ 12,297,604 (0.4% of receipts)
Salaries & Wages	\$ 303,611,574 (8.8% of receipts)

Bad Debts	\$ 22,055,930
Rent Expense	\$ 50,273,206
Interest Expense	\$ 472,519,370
Employee Benefits	\$ 61,838,291

Net Income	\$ -152,472,443
------------	-----------------

Inventory to Sales Turnover	15.77
Inventory to Costs Turnover	12.34

Salaries and Benefits to Sales	10.54 %
Advertising to Sales	1.51 %

Bad Debts to Accts Receivable	0.96 %
Bad Debts to Receipts	0.64 %

Z Score	0.15
---------	------

Pension Expense to PBIT	11.06 %
Benefits to PBIT	17.93 %
Officer Compensation to PBIT	3.56 %

Gross Margin	21.72 %
Net Margin	-4.40 %

Days Accts Receivable Outstanding	242.42
Days Payable	168.39
Days Working Capital	-69.30
Days Inventory	23.15

Effective Tax Rate	-3.42 %
Tax Credit Use	67.13 %

## 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	Internet Publishing and Broadcasting
174	Telecommunications (including paging, cellular, satellite)
175	Internet Service Providers, Web Search Portals, Data Processing Services
176	Other Information Services (including news syndicates and libraries)
177	<b>FINANCE AND INSURANCE</b>
178	Credit Intermediation
179	Depository Credit Intermediation
180	Commercial Banking
181	Savings Institutions, Credit Unions, Depository Credit Intermediation
182	Nondepository Credit Intermediation
183	Credit Card Issuing & Other Consumer Credit
184	Real Estate Credit (including mortgage bankers & originators)
185	International, Secondary Financing, Other Credit Intermediation
186	Activities Related to Credit Intermediation (including loan brokers)
187	Securities, Commodity Contracts, Other Financial Investments, Activities
188	Investment Banking & Securities Dealing
189	Securities Brokerage
190	Commodity Contracts Dealing & Brokerage
191	Securities & Commodity Exchanges, Other Investment Activities
192	Insurance Carriers and Related Activities
193	Life Insurance
194	Life Insurance, Stock Companies (Form 1120L)
195	Life Insurance, Mutual Companies (Form 1120L)
196	Mutual Property and Casualty Companies (Form 1120-PC)
197	Stock Property and Casualty Companies (Form 1120-PC)
198	Insurance Agencies & Brokerages
199	Other Insurance Related Activities
200	Other Financial Vehicles and Other Investment Companies
201	Open-End Investment Funds (Form 1120-RIC)
202	Real Estate Investment Trusts (Form 1120-REIT)
203	Other Financial Vehicles
204	<b>REAL ESTATE AND RENTAL AND LEASING</b>
205	Real Estate
206	Lessors of Buildings

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