

Industry Profitability

The following table looks at the national averages for corporate gross profit, net income, and return on equity. The data were compiled by BizStats.com using information from a large variety of sources, including the Internal Revenue Service, U.S. Census Bureau, the U.S. Department of Commerce and the U.S. Department of Labor.

TABLE A-1**Industry Profitability—Corporations**

Construction	Cost of Sales, %	Gross Profit, %	Net Income as % of Sales	Interest as % Sales	Taxes as % of Sales	Depr. and Amort. as % of Sales
Building construction	77.33%	22.67%	7.39%	0.69%	1.05%	0.47%
Heavy construction, and land subdivision	70.15%	29.85%	8.81%	1.01%	1.66%	2.29%
Specialty trade contractors	65.99%	34.01%	5.96%	0.46%	2.26%	1.49%
Retail Trade	Cost of Sales, %	Gross Profit, %	Net Income as % of Sales	Interest as % Sales	Taxes as % of Sales	Depr. and Amort. as % of Sales
Motor vehicle and parts dealers	82.95%	17.05%	2.11%	0.70%	0.97%	0.53%
Furniture and home furnishings stores	57.22%	42.78%	4.99%	0.53%	2.24%	1.26%
Electronics and appliance stores	69.38%	30.62%	4.89%	0.49%	1.64%	0.83%
Building materials and garden equipment supply dealers	67.70%	32.30%	8.32%	0.57%	1.95%	1.39%
Food, beverage, and liquor stores	71.82%	28.18%	3.14%	0.85%	1.61%	1.44%
Health and personal care stores	70.72%	29.28%	3.87%	0.59%	1.26%	1.13%
Gasoline stations	88.40%	11.60%	1.58%	0.42%	1.04%	0.92%
Clothing and clothing accessory stores	51.64%	48.36%	8.37%	0.74%	2.23%	1.99%
Sporting goods, hobby, book, and music stores	59.87%	40.13%	4.66%	0.77%	2.08%	1.93%
General merchandise stores	69.47%	30.53%	5.12%	1.00%	1.74%	1.41%
Miscellaneous store retailers	61.97%	38.03%	5.98%	0.88%	1.83%	1.31%
Non-store retailers	67.03%	32.97%	5.66%	0.67%	1.14%	1.10%

Wholesale Trade	Cost of Sales, %	Gross Profit, %	Net Income as % of Sales	Interest as % Sales	Taxes as % of Sales	Depr. and Amort. as % of Sales
Durable goods	77.45%	22.55%	4.28%	0.74%	0.91%	1.47%
Nondurable goods	81.61%	18.39%	4.09%	0.78%	0.92%	0.79%
Electronics markets agents and brokers	0.00%	100.00%	14.70%	1.60%	3.08%	2.03%
Services	Cost of Sales, %	Gross Profit, %	Net Income as % of Sales	Interest as % Sales	Taxes as % of Sales	Depr. and Amort. as % of Sales
Accommodations	11.15%	88.85%	13.57%	7.52%	6.29%	4.48%
Food services and drinking places	37.78%	62.22%	8.58%	1.55%	3.88%	2.46%
Administrative and support services	43.00%	57.00%	7.63%	1.33%	4.16%	1.90%
Waste management and remediation services	39.25%	60.75%	7.98%	4.48%	3.81%	6.31%
Amusement, gambling, and recreation	22.08%	77.92%	12.41%	2.95%	6.32%	4.86%
Other arts, entertainment, and recreation	14.62%	85.38%	14.78%	1.04%	2.60%	2.60%
Educational services	13.47%	86.53%	12.48%	0.81%	3.25%	2.12%
Health practitioners and outpatient health services	8.24%	91.76%	9.37%	0.63%	3.08%	1.34%
Misc. health care and social assistance	18.95%	81.05%	9.38%	1.53%	3.69%	2.61%
Hospitals, nursing, and residential health facilities	8.72%	91.28%	7.96%	2.78%	5.11%	2.99%
Repair and maintenance services	50.50%	49.50%	6.36%	0.85%	3.14%	1.71%
Personal and laundry services	26.70%	73.30%	8.58%	1.48%	3.83%	3.46%
Religious, grant-making, civic, and professional organizations	13.60%	86.40%	4.72%	0.33%	1.92%	1.42%

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TABLE A-1**Industry Profitability—Corporations (continued)**

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Services	Cost of Sales, %	Gross Profit, %	Net Income as % of Sales	Interest as % Sales	Taxes as % of Sales	Depr. and Amort. as % of Sales
Legal services	6.79%	93.21%	12.73%	0.39%	3.12%	0.84%
Accounting, bookkeeping, tax prep, and payroll services	12.39%	87.61%	9.91%	1.85%	4.24%	1.54%
Architectural, engineering, and related services	40.16%	59.84%	6.81%	0.61%	2.83%	1.29%
Specialized design services	43.09%	56.91%	11.33%	0.57%	2.53%	1.29%
Computer systems design and related services	28.15%	71.85%	9.21%	1.25%	3.75%	2.34%
Management, scientific, and technical consulting services	24.86%	75.14%	10.93%	0.74%	2.78%	1.24%
Scientific research and development services	36.37%	63.63%	11.98%	1.70%	2.47%	2.80%
Advertising and related services	30.09%	69.91%	8.20%	2.73%	2.19%	2.06%
Other professional, scientific, and technical services	23.57%	76.43%	10.33%	1.63%	3.09%	2.32%
Finance, Insurance and Real Estate	Cost of Sales, %	Gross Profit, %	Net Income as % of Sales	Interest as % Sales	Taxes as % of Sales	Depr. and Amort. as % of Sales
Credit intermediation	2.21%	97.79%	12.40%	48.27%	1.38%	1.59%
Non-depository credit intermediation	3.07%	96.93%	10.05%	50.33%	1.05%	1.33%
Securities, commodity contracts, and other financial investments	0.85%	99.15%	13.13%	41.95%	1.35%	1.44%
Insurance carriers and related activities	52.29%	47.71%	7.26%	2.21%	1.60%	1.35%

Funds, trusts, and other financial vehicles	0.00%	100.00%	70.62%	5.19%	0.74%	1.61%
Depository credit intermediation	0.05%	99.95%	18.33%	43.10%	2.23%	2.24%
Bank holding companies	0.62%	99.38%	17.51%	33.32%	1.77%	3.61%
Real estate services	15.17%	84.83%	19.77%	2.87%	2.99%	2.09%
Rental and leasing services	19.72%	80.28%	11.51%	8.81%	2.48%	19.33%
Lessors of nonfinancial intangible assets	7.70%	92.30%	37.97%	0.75%	2.12%	4.58%

Information	Cost of Sales, %	Gross Profit, %	Net Income as % of Sales	Interest as % Sales	Taxes as % of Sales	Depr. and Amort. as % of Sales
Publishing industries	23.01%	76.99%	17.78%	3.34%	2.56%	3.90%
Motion picture and sound recording	24.80%	75.20%	11.12%	11.57%	1.55%	12.16%
Broadcasting (except internet)	19.25%	80.75%	8.58%	5.10%	1.84%	13.48%
Internet publishing and broadcasting	18.32%	81.68%	10.98%	6.00%	3.12%	7.15%
Telecommunications	13.52%	86.48%	11.29%	7.31%	2.70%	9.27%
Internet service providers, search portals, data processing	10.14%	89.86%	9.36%	3.02%	2.22%	7.72%
Other information services	18.17%	81.83%	10.87%	3.71%	2.28%	4.30%

Manufacturing	Cost of Sales, %	Gross Profit, %	Net Income as % of Sales	Interest as % Sales	Taxes as % of Sales	Depr. and Amort. as % of Sales
Food manufacturing	62.73%	37.27%	11.51%	2.43%	2.01%	2.03%
Beverages and tobacco products manufacturing	43.00%	57.00%	17.94%	3.50%	7.26%	3.08%
Textile mills and textile product mills	67.40%	32.60%	5.97%	1.31%	1.69%	1.93%
Apparel manufacturing	61.70%	38.30%	7.28%	1.26%	1.96%	1.25%
Leather and allied product manufacturing	59.91%	40.09%	8.85%	1.27%	1.63%	1.42%
Wood product manufacturing	71.06%	28.94%	6.97%	2.32%	1.57%	2.08%
Paper manufacturing	64.36%	35.64%	11.31%	3.45%	1.34%	2.89%

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TABLE A-1**Industry Profitability—Corporations (continued)**

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Manufacturing	Cost of Sales, %	Gross Profit, %	Net Income as % of Sales	Interest as % Sales	Taxes as % of Sales	Depr. and Amort. as % of Sales
Printing and related support activities	58.65%	41.35%	6.77%	1.72%	2.24%	3.60%
Petroleum and coal products manufacturing	83.14%	16.86%	8.58%	1.17%	1.62%	1.18%
Chemical manufacturing	45.21%	54.79%	23.11%	2.66%	1.06%	2.99%
Plastics and rubber products manufacturing	68.70%	31.30%	6.00%	2.03%	1.52%	2.56%
Non-metallic mineral products manufacturing	61.66%	38.34%	9.97%	2.77%	2.02%	4.05%
Primary metal manufacturing	75.24%	24.76%	7.65%	1.78%	1.22%	2.51%
Fabricated metal product manufacturing	63.76%	36.24%	9.26%	2.81%	1.88%	2.60%
Machinery manufacturing	63.71%	36.29%	8.63%	2.65%	1.35%	2.59%
Computer and electronic product manufacturing	54.99%	45.01%	16.59%	1.09%	1.22%	3.22%
Electrical equipment, appliance, and component manufacturing	49.58%	50.42%	6.37%	14.75%	1.00%	5.50%
Transportation equipment manufacturing	68.16%	31.84%	6.89%	3.33%	0.99%	4.16%
Furniture and related product manufacturing	64.15%	35.85%	6.66%	1.24%	2.01%	1.51%
Miscellaneous manufacturing	48.91%	51.09%	15.11%	2.35%	1.65%	2.68%
Transportation and Warehousing	Cost of Sales, %	Gross Profit, %	Net Income as % of Sales	Interest as % Sales	Taxes as % of Sales	Depr. and Amort. as % of Sales
Air-rail-water transportation	25.73%	74.27%	8.28%	3.98%	3.84%	7.10%
Truck transportation	32.00%	68.00%	4.88%	0.95%	3.68%	4.02%
Transit and ground passenger transportation	34.31%	65.69%	5.33%	1.52%	4.26%	4.79%

Pipeline transportation	32.39%	67.61%	21.35%	4.86%	3.91%	7.34%
Other transportation and support activities	36.45%	63.55%	7.18%	0.68%	2.83%	2.69%
Warehousing and storage	29.55%	70.45%	8.44%	4.01%	3.53%	4.46%

Agriculture, forestry and fishing	Cost of Sales, %	Gross Profit, %	Net Income as % of Sales	Interest as % Sales	Taxes as % of Sales	Depr. and Amort. as % of Sales
Agricultural production	43.86%	56.14%	10.01%	1.97%	1.94%	4.42%
Forestry and logging	62.01%	37.99%	7.98%	2.26%	1.82%	3.91%
Fishing, hunting, and trapping	56.83%	43.17%	7.97%	1.01%	1.86%	2.72%

Mining	Cost of Sales, %	Gross Profit, %	Net Income as % of Sales	Interest as % Sales	Taxes as % of Sales	Depr. and Amort. as % of Sales
Oil and gas extraction	44.33%	55.67%	25.04%	3.00%	2.69%	5.41%
Coal mining	56.45%	43.55%	5.42%	2.37%	5.31%	7.14%
Metal ore mining	43.32%	56.68%	26.22%	2.03%	1.68%	13.35%
Non-metallic mineral mining and quarrying	60.19%	39.81%	7.91%	3.25%	2.68%	7.31%
Support activities for mining	35.46%	64.54%	16.31%	3.43%	2.20%	7.87%

Source: BizStats.com

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U.S. Funds Focused on Minority Markets

The following table notes a number of U.S. funds that target minority markets.

T A B L E B - 1**Private Equity Firms Focused on Minority Markets**

Firm	Location	Geographic Preference	Industry Preference	Investment Type
21st Century Capital	Dallas, TX	National	Manufacturing, value-added distribution, service and media	Buyouts, recapitalizations, growth equity
Altos Ventures	Menlo Park, CA	Western U.S.	Information technology	First institutional round
Ascend Venture Group	New York, NY	National; Mid Atlantic; California	Applied technology with a focus on enterprise software, outsourced business services, and appliance devices; education sector	Companies poised to experience dramatic revenue growth
Black Enterprise/Greenwich Street Fund	New York, NY	National	Telecom, consumer goods, media, financial services, retail, information tech.	Expansion and acquisition financing; buyouts and successions
CSW Capital	New York, NY	North America	General industrial and consumer	Does not generally participate in startups, technology companies, or real estate investments.
Fulcrum Capital Group	Culver City, CA	Businesses located in and employing from Southern California's under-served urban communities	Commercial and consumer services companies; light manufacturing; communications; no turnarounds; real estate project finance; talent-driven entertainment; re-lending or technology; select start-up financing	Companies that are important in minority and urban communities

GenNx360 Capital Partners	Prospect, KY	Generally focuses on US but consider global investment opportunities	Industrial water treatment, specialty chemicals, and engineered materials. Industrial machinery & equipment components, industrial security services	Industrial business-to-business companies
Hispania Capital Partners	Chicago, IL	US Hispanic Market	Diversified	Well-established business that provide goods and services to the Hispanic community or are Hispanic-owned
ICV Capital Partners	New York, NY	US	Healthcare, food processing consumer products and services, commercial service, media and telecommunications, industrial manufacturing	Companies that are based in, hire from, or serve America's inner cities; owned and/or managed by ethnic minorities
Milestone Growth Fund	Minneapolis, MN	Minnesota	Minority-owned companies	Provide equity-type financing and management assistance to minority entrepreneurs
MMG Ventures	Baltimore, MD	Mid-Atlantic Region Selected Investments outside of this core area	Telecommunications, information technology, healthcare, and the computer software and services industries	Minority-owned and operated businesses that are poised for growth
Nogales Investors	Los Angeles, CA	National, West Coast	Any industry	Later stage expansion acquisition
Opportunity Capital	Fremont, CA	N/A	Communications, applied technology, healthcare, African-American funeral homes and cemeteries	Later stage companies seeking acquisition and expansion capital, preferred equity, or equity-linked instruments

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T A B L E B - 1**Private Equity Firms Focused on Minority Markets (continued)**

Firm	Location	Geographic Preference	Industry Preference	Investment Type
Oracle Capital Partners	Detroit, MI	Headquartered or significant presence in the state of Michigan	Healthcare services, industrials/manufacturing, consumer products, commercial services, technology	Preferred equity or equity-linked
Pacesetter Capital Group	Richardson, TX	Southwestern US: Mostly Texas, Oklahoma, California New Mexico, Colorado, Arizona, Arkansas, and Louisiana	Broadcasting (radio television and cable), telecommunications, manufacturing and services. Enterprise software, technology infrastructure involving later stage semiconductor	Diversified private equity funds
Palladium Equity Partners	New York, NY	Most investments in US base firms. Some investments in Latin American and international firms or management teams.	Business and financial services, food, healthcare, manufacturing, media, and retail, with a particular focus in Hispanic market opportunities	Buyouts, recapitalizations, corporate spin-outs, growth financings, and restructurings
Pharos Capital Group	Dallas, TX	Globally	Healthcare technology and business services	Growth and expansion capital
Reliant Equity	Chicago, IL	U.S.	Diversified	Buyouts of growth-oriented fundamentally-sound middle-market businesses
RLJ Equity Partners	Bethesda, MD	N/A	N/A	N/A

Rustic Canyon/ Fontis Partners	Pasadena, CA	Southern California and the Southwest	Media consumer goods and service companies	Expansion and late stage companies N/A
Smith Whiley Company Stonehenge Capital	Evanston, IL Columbus, OH	N/A National	N/A Media and communications industry	Private equity, tax credit finance, and structured finance Early to mid-stage investments in underserved segments of media and communications industry
SYNCOM Venture Partners	Silver Spring, MD	N/A	Media and communications industry	

Source: National Association of Investment Companies (NAIC) and company web sites.