

Profit per Employee Restored to Pre-Recession Levels

December 29, 2010

Since the recession began in late 2007, companies across the country have been cutting their payroll to maintain profitability- was it worth it? Because 65% of new jobs come from privately-held companies in the United States, Sageworks took a look at the average profit per employee for privately-held businesses with annual revenues under \$10M. The data indicates that many businesses have cut costs so aggressively that they have now restored profitability to pre-recession levels. But, until these privately-held companies see their revenues increase, it's unlikely that these businesses will begin to hire.

Annual Profit per Employee for Privately-Held Businesses with Revenues <\$10M					
Industry	2006	2007	2008	2009	2010
Agriculture, forestry, fishing and hunting	8,994.98	1,1931.9	9,668.13	2,008.35	14,569.9
Utilities	20,137.54	15,958.5	13,071.11	15,391.79	18,546.82
Construction	13,518.67	14,422.27	10,801.41	7,498.52	7,046.3
Manufacturing	10,539.54	11,187.35	9,225.55	4,468.57	11,697.47
Wholesale trade	16,970.78	15,730.17	14,818.4	11,253.93	13,415.77
Retail trade	9,178.38	9,361.69	9,440.56	8,708.79	13,591.56
Transportation and warehousing	12,334.56	16,394.24	14,521.63	10,000.04	5,768.89
Information	14,365.76	11,164.63	12,692.13	8,463.76	-5782.59
Finance and insurance	17,745.49	17,847.37	15,722.35	17,169.96	27,415.74
Real estate and rental and leasing	12,106.05	12,016.32	14,177.04	10,615.04	5,356.28
Professional, scientific, and technical services	19,280.4	20,220.03	19,873.24	16,031.6	16,360.98
Administrative support, waste management, remediation	10,042.96	9,140.93	8,551.54	8,613.3	14,283.98
Educational services	12,119.95	14,155.69	9,858.11	5,806.79	11,917.95
Health care and social assistance	22,544.48	22,871.55	19,519.43	19,730.82	23,467.04
Arts, entertainment, and recreation	6,541.89	4,238.39	4,862.7	-259.05	740.85
Accommodation and food services	2,481.53	1,574.34	1,984.5	2,322.47	3,058.56
Other services (except public administration)	9,641.93	10,252.76	8,385.71	9,309.06	11,663.86
*Source- Sageworks, a financial information company					

About Sageworks' Data

Sageworks' data is aggregated in real time at a rate of approximately 1,000 financial statements per day in a shared data model with thousands of financial professionals. The majority of the data is sourced directly from audited and reviewed financial statements prepared by accounting firms. It is scrubbed through a rigorous process to remove extreme outliers and duplicate datasets. Sageworks' adherence to these and other strict guidelines for data integrity makes this

information the most accurate and credible of its kind. The data is segmented and can be queried by 1,200 industry codes, 70 financial metrics, company size, and geographic location.

About Sageworks, Inc.

Raleigh, NC-based Sageworks, Inc. is a financial information company and developer of the financial analysis software suites, ProfitCents and Sageworks Analyst. Sageworks' data and applications are used by thousands of accounting firms and banks across North America. The company has been named to the Inc. 500 list of the fastest growing privately-held companies in the US and to the Deloitte Technology Fast 500.

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