

The Profile of Franchising

Volume III: A Statistical Abstract of
1998 UFOC Data

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10.1 Franchise Population by Availability of Development Program

Description

Pie Chart: Chart 10.1 portrays the Franchise Population by whether or not the franchisor offers a development program. The slices of the pie chart represent how many franchisors either offer (28%) or do not offer (72%) a development program.

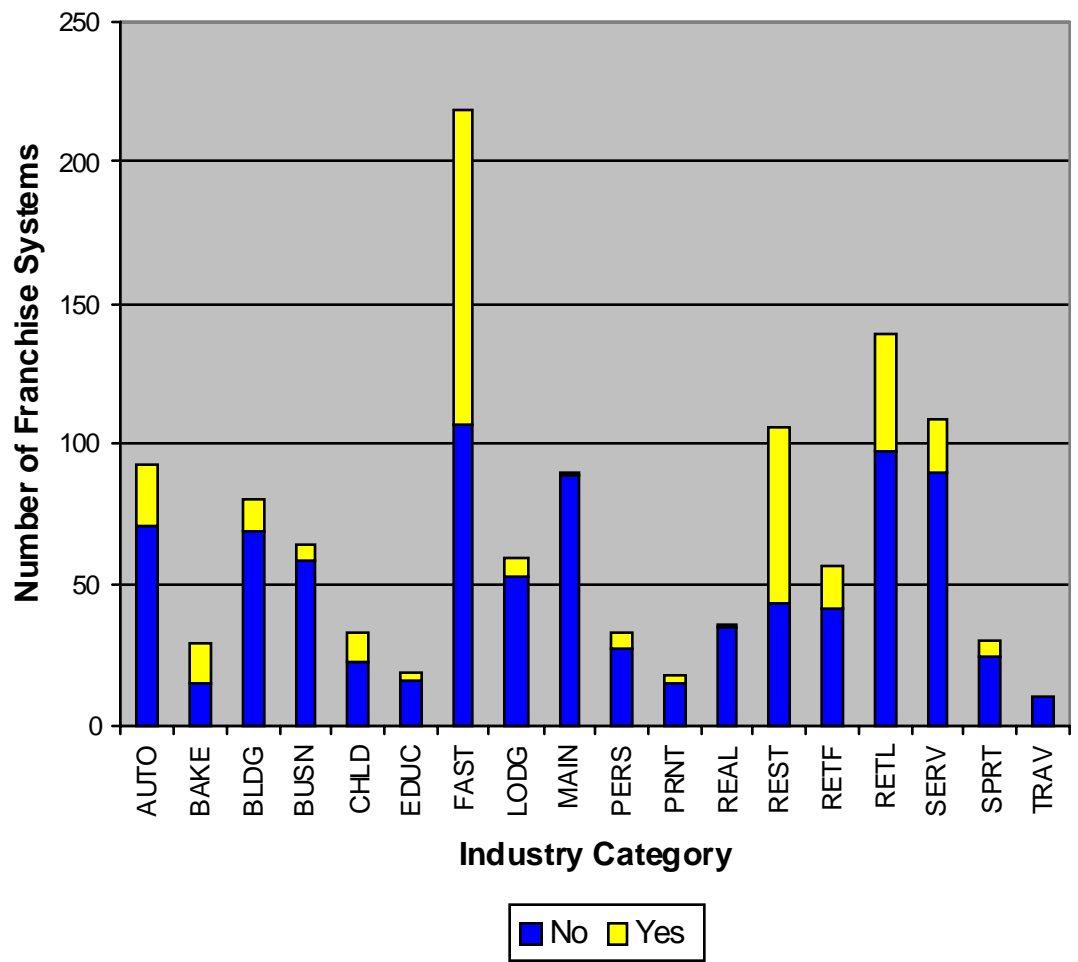
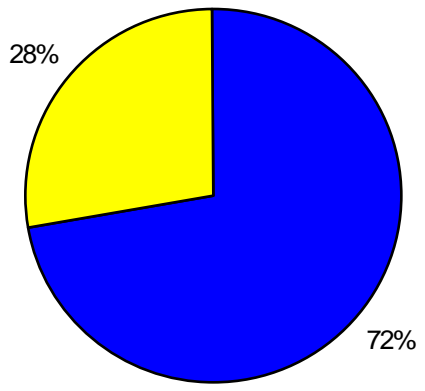
Methodology

The data for this chart was collected from Items 1, 5, and 22 of the UFOC. For purposes of this study, a development program is defined as any program where the franchisee contractually agrees to open multiple units in a specified agreement, signs a contract containing a development schedule, and pays a fee associated with the number of units to be opened.

Selected Findings

- 1) 28% of the franchisors in the Franchise Population offer development programs.
- 2) Three of the food-related industry segments have the highest percentage of systems offering a development program with Restaurants (59%), Fast Food (51%), and Baked Goods (48%), all well above the mean of 28%.
- 3) None of the 11 systems in the Travel Industry (TRAV) offer development programs.

10.1 Franchise Population by Availability of Development Program



10.1 Franchise Population by Availability of Development Programs

	No	Yes	Total
AUTO	71	22	93
BAKE	15	14	29
BLDG	69	11	80
BUSN	58	6	64
CHLD	23	10	33
EDUC	16	3	19
FAST	107	112	219
LODG	53	7	60
MAIN	89	1	90
PERS	27	6	33
PRNT	15	3	18
REAL	35	1	36
REST	43	63	106
RETF	41	16	57
RETL	97	42	139
SERV	90	19	109
SPRT	25	5	30
TRAV	11	0	11
Total	885	341	1226

	No	Yes	Total
AUTO	76%	24%	100%
BAKE	52%	48%	100%
BLDG	86%	14%	100%
BUSN	91%	9%	100%
CHLD	70%	30%	100%
EDUC	84%	16%	100%
FAST	49%	51%	100%
LODG	88%	12%	100%
MAIN	99%	1%	100%
PERS	82%	18%	100%
PRNT	83%	17%	100%
REAL	97%	3%	100%
REST	41%	59%	100%
RETF	72%	28%	100%
RETL	70%	30%	100%
SERV	83%	17%	100%
SPRT	83%	17%	100%
TRAV	100%	0%	100%
Total	72%	28%	100%

10.1 Franchise Population by Availability of Development Programs

1997

	No	Yes	Total
AUTO	81	20	101
BAKE	21	14	35
BLDG	66	5	71
BUSN	54	3	57
CHLD	26	4	30
EDUC	16	2	18
FAST	122	92	214
LODG	48	3	51
MAIN	69	5	74
PERS	33	2	35
PRNT	14	2	16
REAL	32	3	35
REST	38	52	90
RETF	45	13	58
RETL	100	34	134
SERV	96	14	110
SPRT	29	6	35
TRAV	14	0	14
Total	904	274	1178

	No	Yes	Total
AUTO	80%	20%	100%
BAKE	60%	40%	100%
BLDG	93%	7%	100%
BUSN	95%	5%	100%
CHLD	87%	13%	100%
EDUC	89%	11%	100%
FAST	57%	43%	100%
LODG	94%	6%	100%
MAIN	93%	7%	100%
PERS	94%	6%	100%
PRNT	88%	13%	100%
REAL	91%	9%	100%
REST	42%	58%	100%
RETF	78%	22%	100%
RETL	75%	25%	100%
SERV	87%	13%	100%
SPRT	83%	17%	100%
TRAV	100%	0%	100%
Total	77%	23%	100%

10.1 Franchise Population by Availability of Development Programs

Description

Bar graph: The bar graph on the opposite page depicts the percentage change in franchise population from 1997 to 1998 by industry category. The chart found below contains the source data from which the graph was created.

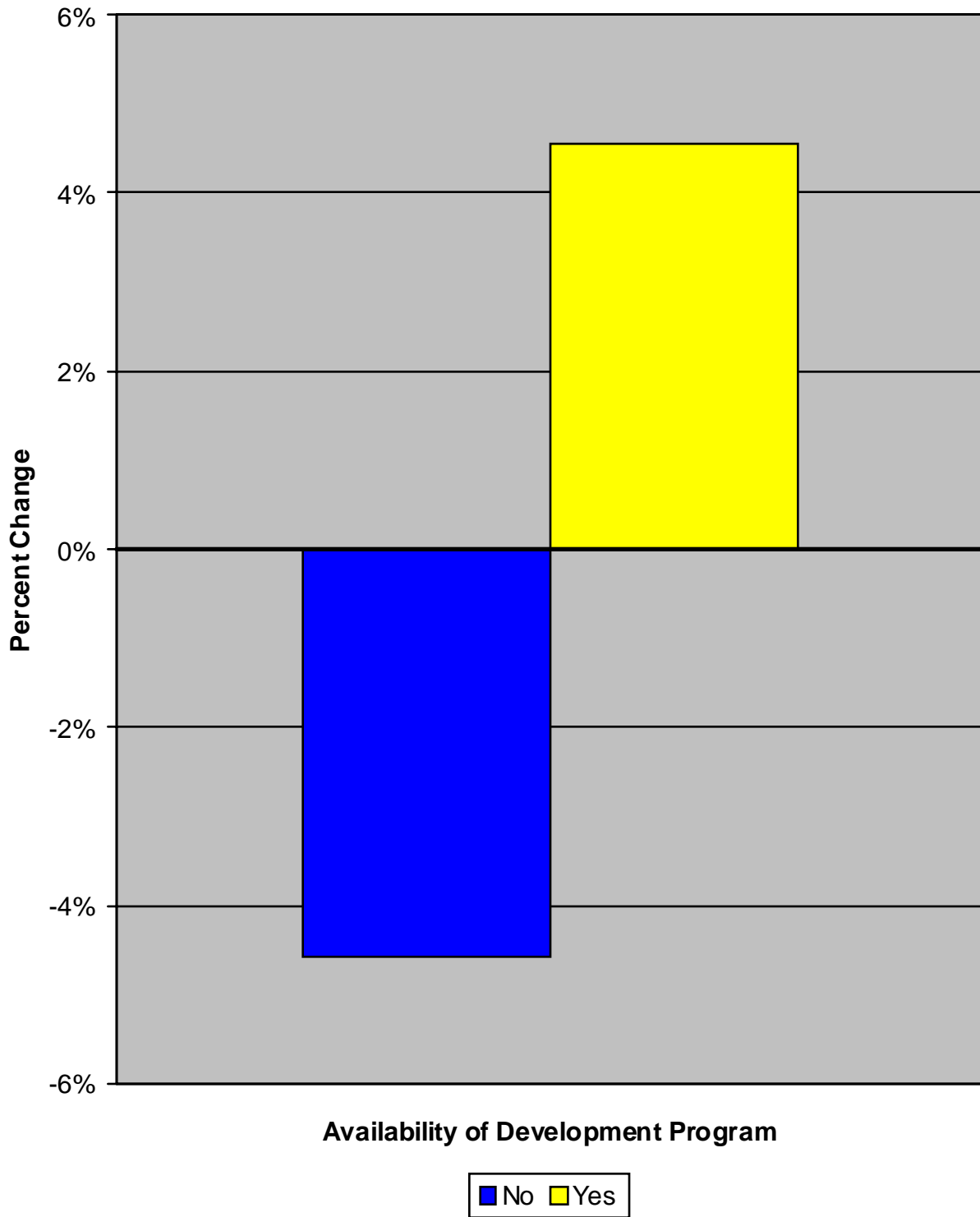
Positive percentages under "yes" represent an increase in the number of systems offering development programs in 1998. Conversely, negative percentages under "yes" represent a decrease in the number of systems offering development programs in 1998. Data is presented by the 18 Industry Categories and by the total Franchise Population (delineated in the "Total" category).

	No	Yes	Total
AUTO	-4%	4%	0%
BAKE	-8%	8%	0%
BLDG	-7%	7%	0%
BUSN	-4%	4%	0%
CHLD	-17%	17%	0%
EDUC	-5%	5%	0%
FAST	-8%	8%	0%
LODG	-6%	6%	0%
MAIN	6%	-6%	0%
PERS	-12%	12%	0%
PRNT	-4%	4%	0%
REAL	6%	-6%	0%
REST	-2%	2%	0%
RETF	-6%	6%	0%
RETL	-5%	5%	0%
SERV	-5%	5%	0%
SPRT	0%	0%	0%
TRAV	0%	0%	0%
Total	-5%	5%	0%

In reviewing this data, it is important to understand that the Franchise Population from which the data was drawn in Volume III of the **Profile** is not identical to the Franchise Population which was used to collect data for Volume II of the **Profile** (see Chapter V and Appendix B). In fact, only 75% of the systems in Volume III of **Profile** were also in Volume II of the **Profile**. Therefore, large fluctuations in variances may be directly attributable to a change in population within a particular industry group, rather than to any real change in that industry. Please use caution when drawing conclusions from these results.

10.1
Franchise Population by Availability of a
Development Program

Change 97/98



10.2 Franchise Population by Grant of Exclusive Territory

Description

Pie Chart: Chart 10.2 portrays the Franchise Population by whether or not the franchisor offers an exclusive territory. The slices of the pie chart represent how many franchisors either offer (71%) or do not offer (29%) an exclusive territory.

Bar Graph: The bar graph breaks down the availability of exclusive territory by industry category. Each bar represents the number of franchise systems within each category, as to whether or not the franchisor offers an exclusive territory.

Methodology

The data for this chart was compiled from Item 12 of the UFOC. FRANDATA's internal database tracks the franchisors' grant of exclusive territory based on the following five variables:

Is Exclusive Territory Granted?

Yes, described by geography
Yes, described in miles
Yes, described by population
Yes, by number of vehicles

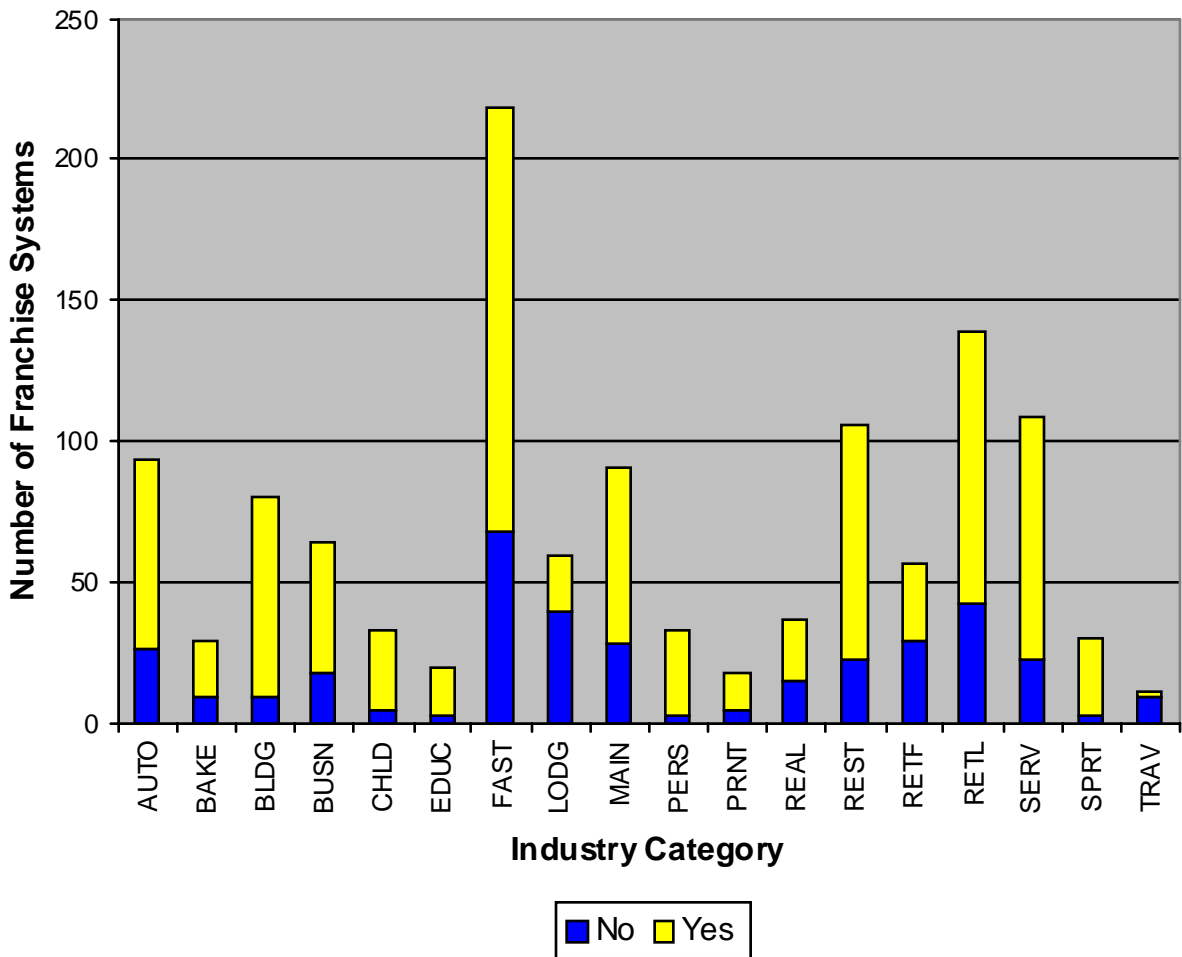
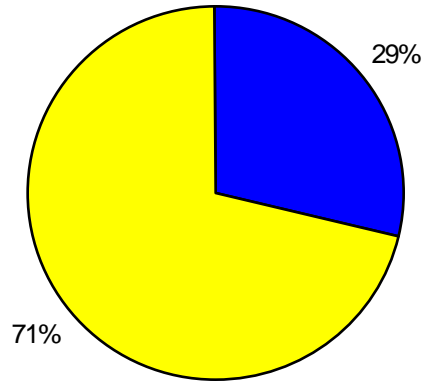
No, territory limited to store

For purposes of this study, we address only the issue of which systems offer exclusive territories, not the basis on which the territory is granted.

Selected Findings

- 1) 71% of the franchisors in the Franchise Population offer some form of exclusive territory to their franchisees.
- 2) 94% of the Personnel Services Industry (PERS) offer exclusive territories.
- 3) Only 18% of systems in the Travel Industry (TRAV) offer exclusive territories.

10.2 Franchise Population by Grant of Exclusive Territory



10.2 Franchise Population by Grant of Exclusive Territory

	No	Yes	Total
AUTO	26	67	93
BAKE	9	20	29
BLDG	9	71	80
BUSN	18	46	64
CHLD	4	29	33
EDUC	2	17	19
FAST	68	151	219
LODG	39	21	60
MAIN	28	62	90
PERS	2	31	33
PRNT	4	14	18
REAL	15	21	36
REST	23	83	106
RETF	29	28	57
RETL	42	97	139
SERV	22	87	109
SPRT	3	27	30
TRAV	9	2	11
Total	352	874	1226

	No	Yes	Total
AUTO	28%	72%	100%
BAKE	31%	69%	100%
BLDG	11%	89%	100%
BUSN	28%	72%	100%
CHLD	12%	88%	100%
EDUC	11%	89%	100%
FAST	31%	69%	100%
LODG	65%	35%	100%
MAIN	31%	69%	100%
PERS	6%	94%	100%
PRNT	22%	78%	100%
REAL	42%	58%	100%
REST	22%	78%	100%
RETF	51%	49%	100%
RETL	30%	70%	100%
SERV	20%	80%	100%
SPRT	10%	90%	100%
TRAV	82%	18%	100%
Total	29%	71%	100%

10.2 Franchise Population by Grant of Exclusive Territory

1997

	No	Yes	Total
AUTO	31	70	101
BAKE	12	23	35
BLDG	6	65	71
BUSN	14	43	57
CHLD	6	24	30
EDUC	5	13	18
FAST	74	140	214
LODG	38	13	51
MAIN	17	57	74
PERS	2	33	35
PRNT	3	13	16
REAL	11	24	35
REST	22	68	90
RETF	33	25	58
RETL	34	100	134
SERV	17	93	110
SPRT	5	30	35
TRAV	6	8	14
Total	336	842	1178

	No	Yes	Total
AUTO	31%	69%	100%
BAKE	34%	66%	100%
BLDG	8%	92%	100%
BUSN	25%	75%	100%
CHLD	20%	80%	100%
EDUC	28%	72%	100%
FAST	35%	65%	100%
LODG	75%	25%	100%
MAIN	23%	77%	100%
PERS	6%	94%	100%
PRNT	19%	81%	100%
REAL	31%	69%	100%
REST	24%	76%	100%
RETF	57%	43%	100%
RETL	25%	75%	100%
SERV	15%	85%	100%
SPRT	14%	86%	100%
TRAV	43%	57%	100%
Total	29%	71%	100%

10.2 Franchise Population by Grant of Exclusive Territory

Description

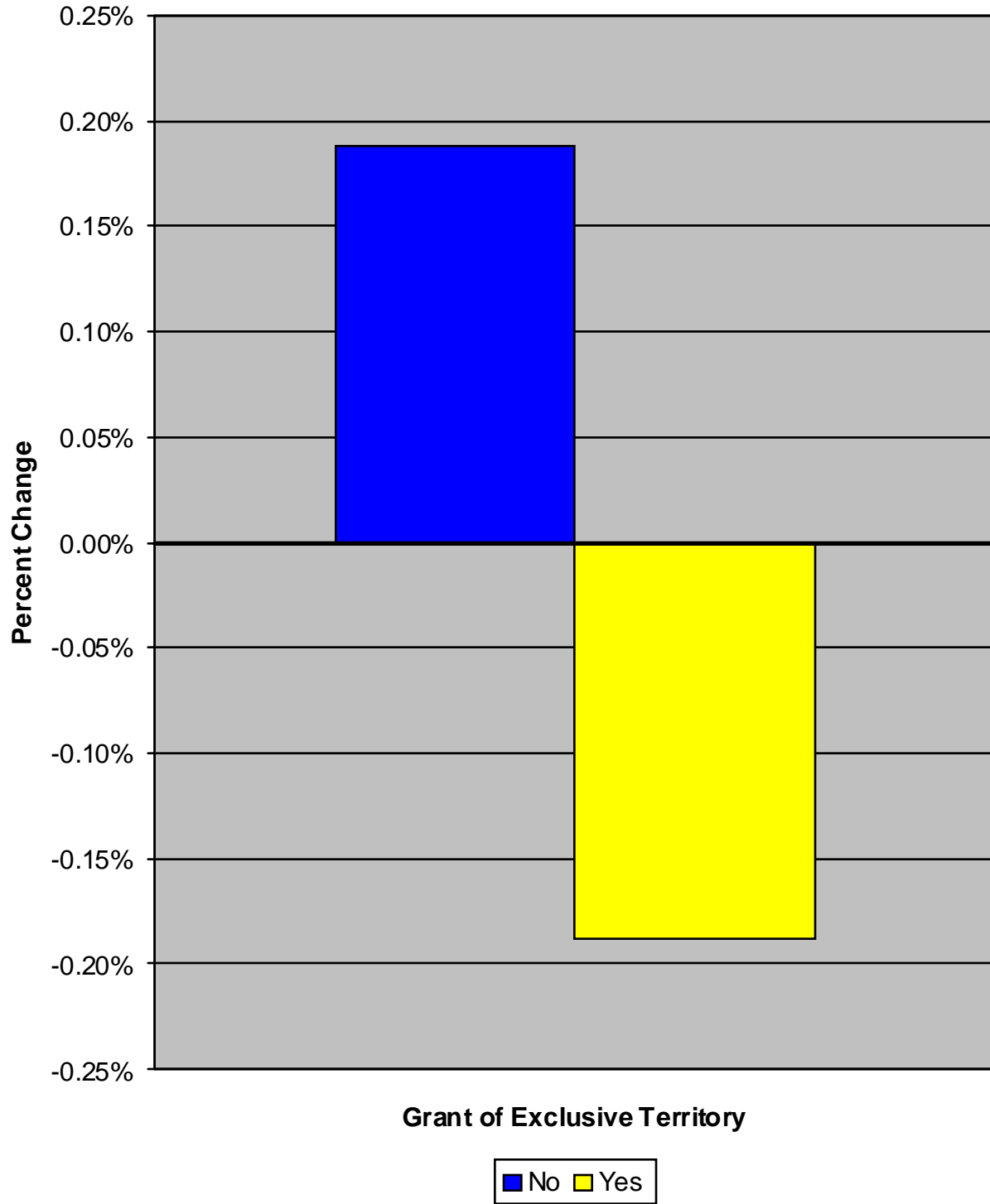
Bar graph: The bar graph on the opposite page depicts the percentage change in franchise population from 1997 to 1998 by industry category. The chart found below contains the source data from which the graph was created.

Positive percentages under "yes" represent an increase in the number of systems granting exclusive territories in 1998. Conversely, negative percentages under "yes" represent a decrease in the number of systems granting exclusive territories in 1998. Data is presented by the 18 Industry Categories and by the total Franchise Population (delineated in the "Total" category).

	No	Yes	Total
AUTO	-3%	3%	0%
BAKE	-3%	3%	0%
BLDG	3%	-3%	0%
BUSN	4%	-4%	0%
CHLD	-8%	8%	0%
EDUC	-17%	17%	0%
FAST	-4%	4%	0%
LODG	-10%	10%	0%
MAIN	8%	-8%	0%
PERS	0%	0%	0%
PRNT	3%	-3%	0%
REAL	10%	-10%	0%
REST	-3%	3%	0%
RETF	-6%	6%	0%
RETL	5%	-5%	0%
SERV	5%	-5%	0%
SPRT	-4%	4%	0%
TRAV	39%	-39%	0%
Total	0%	0%	0%

In reviewing this data, it is important to understand that the Franchise Population from which the data was drawn in Volume III of the **Profile** is not identical to the Franchise Population which was used to collect data for Volume II of the **Profile** (see Chapter V and Appendix B). In fact, only 75% of the systems in Volume III of **Profile** were also in Volume II of the **Profile**. Therefore, large fluctuations in variances may be directly attributable to a change in population within a particular industry group, rather than to any real change in that industry. Please use caution when drawing conclusions from these results.

10.2 Franchise Population by Grant of Exclusive Territory



10.3 Franchise Population by Availability of Proprietary Software Requirement

Description

- Pie Chart:* Chart 10.3 portrays the Franchise Population by whether or not the franchisor offers proprietary software. The slices of the pie chart represent how many franchisors either offer (21%) or do not offer (79%) proprietary software.
- Bar Graph:* The bar graph breaks down the availability of proprietary software by industry category. Each bar represents the number of franchise systems within each category, as to whether or not the franchisor offers proprietary software.

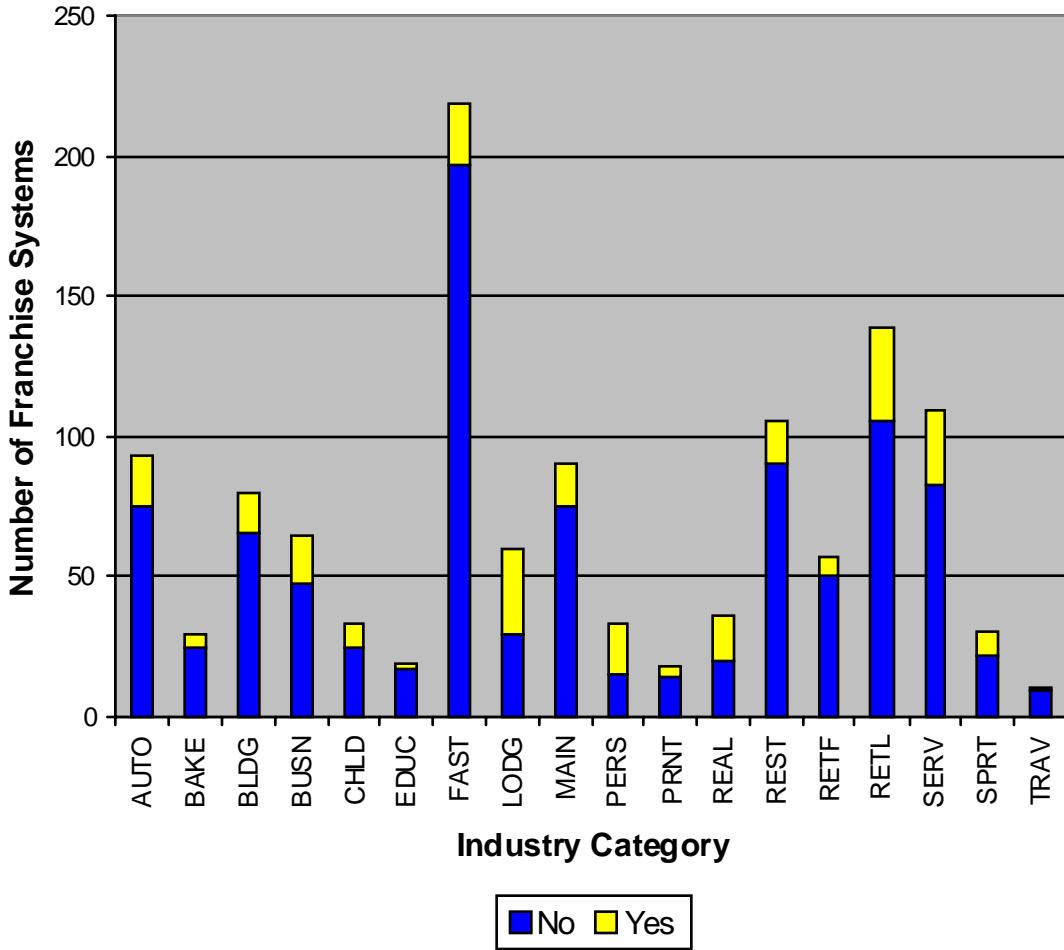
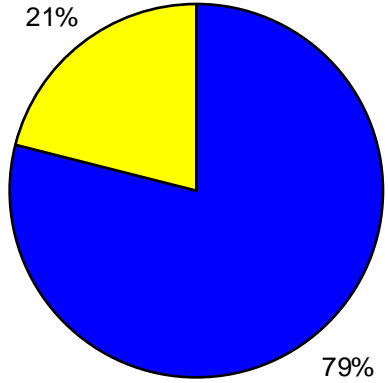
Methodology

The data for this chart was compiled from Item 11 of the UFOC. FRANDATA's internal database tracks the availability of proprietary software, as well as the function of the software. For purposes of this chart, **the availability of Point of Sale (POS) systems by franchisors was not counted in the tracking of proprietary software** for two reasons- (1) many of the POS systems are a combination of hardware and software, and cannot be statistically tracked against pure software systems, and (2) many POS systems are not described as proprietary, either because the franchisor customized existing off-the-shelf software, or because the franchisor did not define the system as proprietary.

Selected Findings

- 1) 21% of the franchisors in the Franchise Population require the use of some kind of proprietary software.
- 2) The Personnel Services (PERS) and Lodging (LODG) industries contain the highest percentage of companies offering proprietary software 55% and 52%, respectively.
- 3) The Fast Food Industry (FAST) contains the lowest percentage (10%) of companies offering proprietary software (however, see caveat above regarding POS systems).

10.3 Franchise Population by Availability of Proprietary Software Requirement



10.3 Franchise Population by Availability of Proprietary Software Requirement

	No	Yes	Total
AUTO	75	18	93
BAKE	24	5	29
BLDG	66	14	80
BUSN	48	16	64
CHLD	25	8	33
EDUC	17	2	19
FAST	197	22	219
LODG	29	31	60
MAIN	75	15	90
PERS	15	18	33
PRNT	14	4	18
REAL	20	16	36
REST	91	15	106
RETF	51	6	57
RETL	106	33	139
SERV	83	26	109
SPRT	22	8	30
TRAV	9	2	11
Total	967	259	1226

	No	Yes	Total
AUTO	81%	19%	100%
BAKE	83%	17%	100%
BLDG	83%	18%	100%
BUSN	75%	25%	100%
CHLD	76%	24%	100%
EDUC	89%	11%	100%
FAST	90%	10%	100%
LODG	48%	52%	100%
MAIN	83%	17%	100%
PERS	45%	55%	100%
PRNT	78%	22%	100%
REAL	56%	44%	100%
REST	86%	14%	100%
RETF	89%	11%	100%
RETL	76%	24%	100%
SERV	76%	24%	100%
SPRT	73%	27%	100%
TRAV	82%	18%	100%
Total	79%	21%	100%

10.3 Franchise Population by Availability of Proprietary Software Requirement

1997

	No	Yes	Total
AUTO	65	36	101
BAKE	25	10	35
BLDG	60	11	71
BUSN	39	18	57
CHLD	21	9	30
EDUC	13	5	18
FAST	194	20	214
LODG	13	38	51
MAIN	53	21	74
PERS	13	22	35
PRNT	6	10	16
REAL	19	16	35
REST	77	13	90
RETF	47	11	58
RETL	86	48	134
SERV	72	38	110
SPRT	27	8	35
TRAV	10	4	14
Total	840	338	1178

	No	Yes	Total
AUTO	64%	36%	100%
BAKE	71%	29%	100%
BLDG	85%	15%	100%
BUSN	68%	32%	100%
CHLD	70%	30%	100%
EDUC	72%	28%	100%
FAST	91%	9%	100%
LODG	25%	75%	100%
MAIN	72%	28%	100%
PERS	37%	63%	100%
PRNT	38%	63%	100%
REAL	54%	46%	100%
REST	86%	14%	100%
RETF	81%	19%	100%
RETL	64%	36%	100%
SERV	65%	35%	100%
SPRT	77%	23%	100%
TRAV	71%	29%	100%
Total	71%	29%	100%

10.3 Franchise Population by Availability of Proprietary Software Requirement

Description

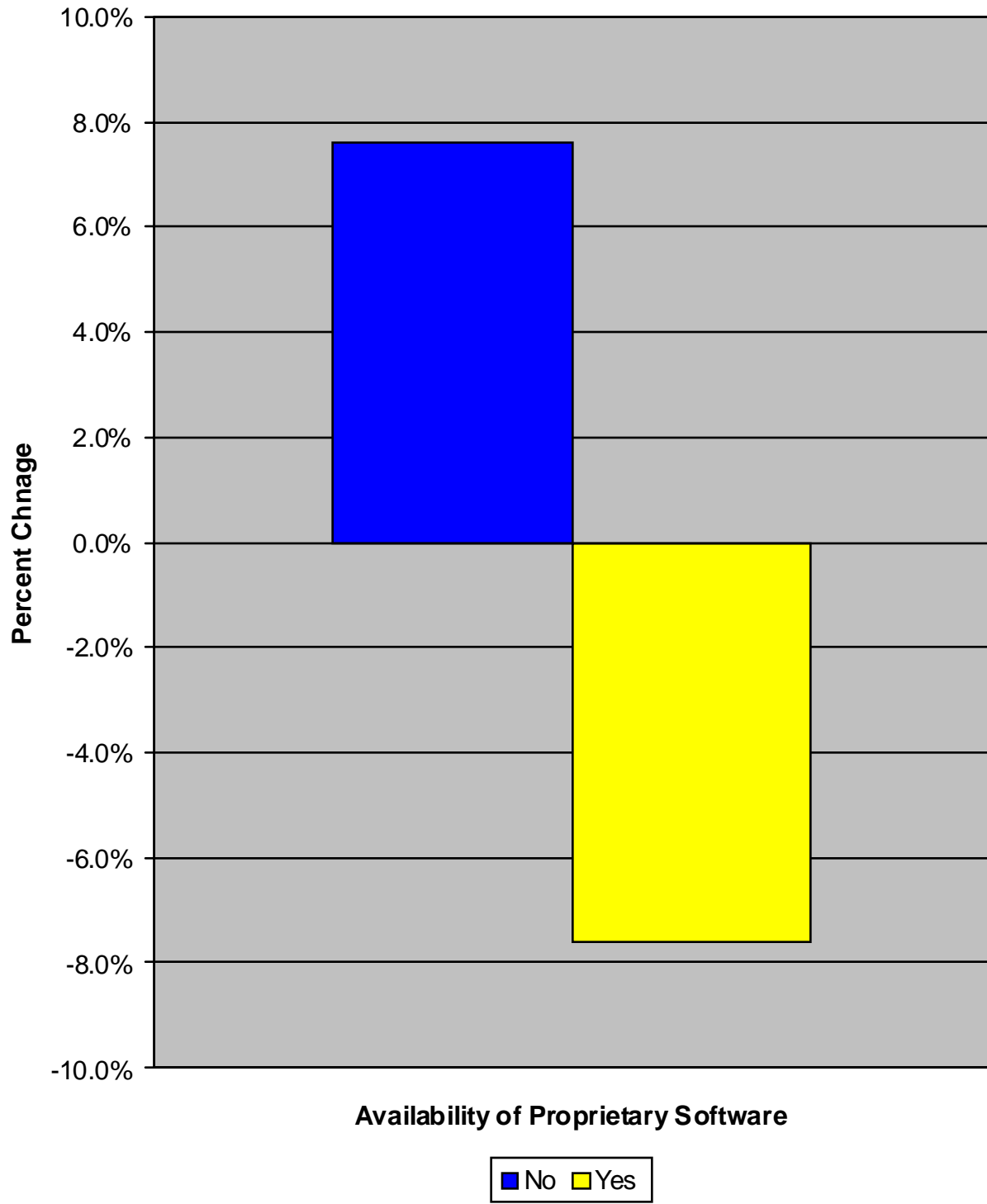
Bar graph: The bar graph on the opposite page depicts the percentage change in franchise population from 1997 to 1998 by industry category. The chart found below contains the source data from which the graph was created.

Positive percentages under "yes" represent an increase in the number of systems requiring the use of proprietary software in 1998. Conversely, negative percentages under "yes" represent a decrease in the number of systems requiring the use of proprietary software in 1998. Data is presented by the 18 Industry Categories and by the total Franchise Population (delineated in the "Total" category).

	No	Yes	Total
AUTO	16.3%	-16.3%	0.0%
BAKE	11.3%	-11.3%	0.0%
BLDG	-2.0%	2.0%	0.0%
BUSN	6.6%	-6.6%	0.0%
CHLD	5.8%	-5.8%	0.0%
EDUC	17.3%	-17.3%	0.0%
FAST	-0.7%	0.7%	0.0%
LODG	22.8%	-22.8%	0.0%
MAIN	11.7%	-11.7%	0.0%
PERS	8.3%	-8.3%	0.0%
PRNT	40.3%	-40.3%	0.0%
REAL	1.3%	-1.3%	0.0%
REST	0.3%	-0.3%	0.0%
RETF	8.4%	-8.4%	0.0%
RETL	12.1%	-12.1%	0.0%
SERV	10.7%	-10.7%	0.0%
SPRT	-3.8%	3.8%	0.0%
TRAV	10.4%	-10.4%	0.0%
Total	7.6%	-7.6%	0.0%

In reviewing this data, it is important to understand that the Franchise Population from which the data was drawn in Volume III of the **Profile** is not identical to the Franchise Population which was used to collect data for Volume II of the **Profile** (see Chapter V and Appendix B). In fact, only 75% of the systems in Volume III of **Profile** were also in Volume II of the **Profile**. Therefore, large fluctuations in variances may be directly attributable to a change in population within a particular industry group, rather than to any real change in that industry. Please use caution when drawing conclusions from these results.

10.3 Franchise Population by Availability of Proprietary Software Requirement



10.4

Franchise Population by Requirement that Franchisees be Full-Time Owner/Operator

Description

Pie Chart: Chart 10.4 portrays the Franchise Population by whether the franchisor requires, recommends, or does not require that the franchisee be the full-time owner/operator of the franchised location. Each slice of the pie chart depicts the percentage of the Franchise Population in each of the owner/operator requirement options, as listed in the legend at the bottom of the opposite page.

Bar Graph: The bar graph breaks down the owner/operator requirements by industry category. Each bar represents the number of systems in each industry category, for each of the owner/operator requirement options.

Methodology

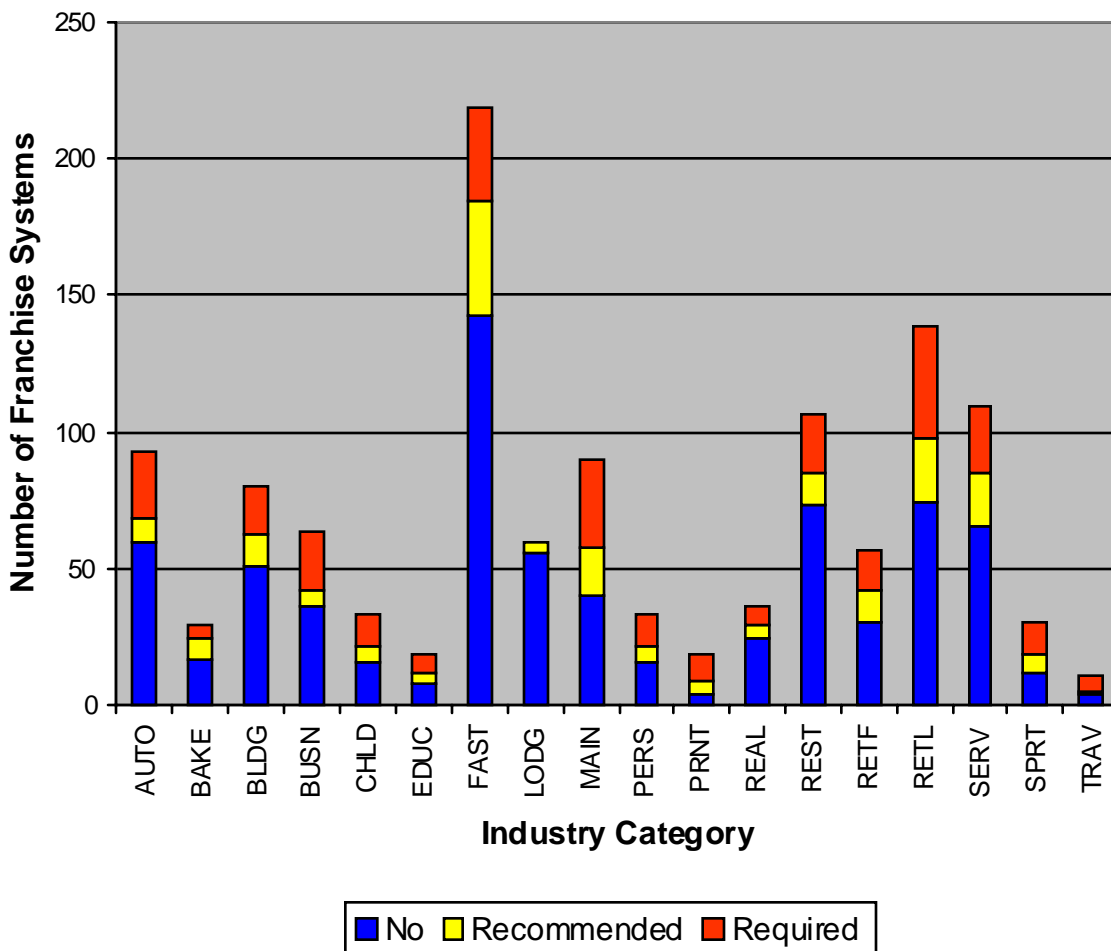
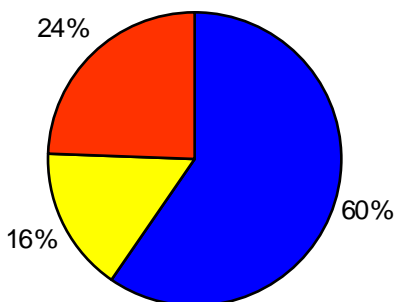
The data for this chart was compiled from Item 15 of the UFOC. FRANDATA's internal database tracks the franchisee's obligations in the following three ways:

- Yes: The Franchisee is required to be the full-time owner/operator of the franchised unit
- No: The Franchisee is not required to be the full-time owner/operator of the franchised unit.
- Recommended: The Franchisor recommends that the franchisee serves as the full-time owner/operator of the franchised unit, but does not require it.

Selected Findings

- 1) 24% of the franchisors in the Franchise Population require that the franchisee be the full-time owner/operator of the franchised location.
- 2) The 11 systems comprising the Travel Industry (TRAV) have the highest percentage (55%) of systems requiring the franchisee to be the full-time owner/operator of the franchise.
- 3) No systems in the Lodging Industry (LODG) require the franchisee to be full-time owner/operator.

10.4 Franchise Population by Requirement that Franchisee be Full-Time Owner/Operator



10.4

Franchise Population by Requirement that Franchisee be Full-Time Owner/Operator

	No	Recommended	Required	Total
AUTO	60	9	24	93
BAKE	17	7	5	29
BLDG	51	12	17	80
BUSN	36	6	22	64
CHLD	16	5	12	33
EDUC	8	4	7	19
FAST	143	42	34	219
LODG	56	4	0	60
MAIN	40	18	32	90
PERS	16	6	11	33
PRNT	4	5	9	18
REAL	25	4	7	36
REST	73	12	21	106
RETF	31	11	15	57
RETL	74	24	41	139
SERV	66	19	24	109
SPRT	12	7	11	30
TRAV	4	1	6	11
Total	732	196	298	1226

	No	Recommended	Required	Total
AUTO	65%	10%	26%	100%
BAKE	59%	24%	17%	100%
BLDG	64%	15%	21%	100%
BUSN	56%	9%	34%	100%
CHLD	48%	15%	36%	100%
EDUC	42%	21%	37%	100%
FAST	65%	19%	16%	100%
LODG	93%	7%	0%	100%
MAIN	44%	20%	36%	100%
PERS	48%	18%	33%	100%
PRNT	22%	28%	50%	100%
REAL	69%	11%	19%	100%
REST	69%	11%	20%	100%
RETF	54%	19%	26%	100%
RETL	53%	17%	29%	100%
SERV	61%	17%	22%	100%
SPRT	40%	23%	37%	100%
TRAV	36%	9%	55%	100%
Total	60%	16%	24%	100%

10.4
Franchise Population by Requirement
that Franchisee be Full-Time Owner/Operator

	No	Recommended	Required	Total
AUTO	49	19	33	101
BAKE	17	10	8	35
BLDG	30	19	22	71
BUSN	28	6	23	57
CHLD	9	7	14	30
EDUC	5	5	8	18
FAST	114	42	58	214
LODG	44	2	5	51
MAIN	22	20	32	74
PERS	13	9	13	35
PRNT	4	3	9	16
REAL	14	7	14	35
REST	50	14	26	90
RETF	21	15	22	58
RETL	56	25	53	134
SERV	48	26	36	110
SPRT	13	6	15	34
TRAV	4	5	5	14
Total	541	240	396	1177

	No	Recommended	Required	Total
AUTO	49%	19%	33%	100%
BAKE	49%	29%	23%	100%
BLDG	42%	27%	31%	100%
BUSN	49%	11%	40%	100%
CHLD	30%	23%	47%	100%
EDUC	28%	28%	44%	100%
FAST	53%	20%	27%	100%
LODG	86%	4%	10%	100%
MAIN	30%	27%	43%	100%
PERS	37%	26%	37%	100%
PRNT	25%	19%	56%	100%
REAL	40%	20%	40%	100%
REST	56%	16%	29%	100%
RETF	36%	26%	38%	100%
RETL	42%	19%	40%	100%
SERV	44%	24%	33%	100%
SPRT	38%	18%	44%	100%
TRAV	29%	36%	36%	100%
Total	46%	20%	34%	100%

10.4 Franchise Population by Requirement That Franchisee be Full-Time Owner/Operator

Description

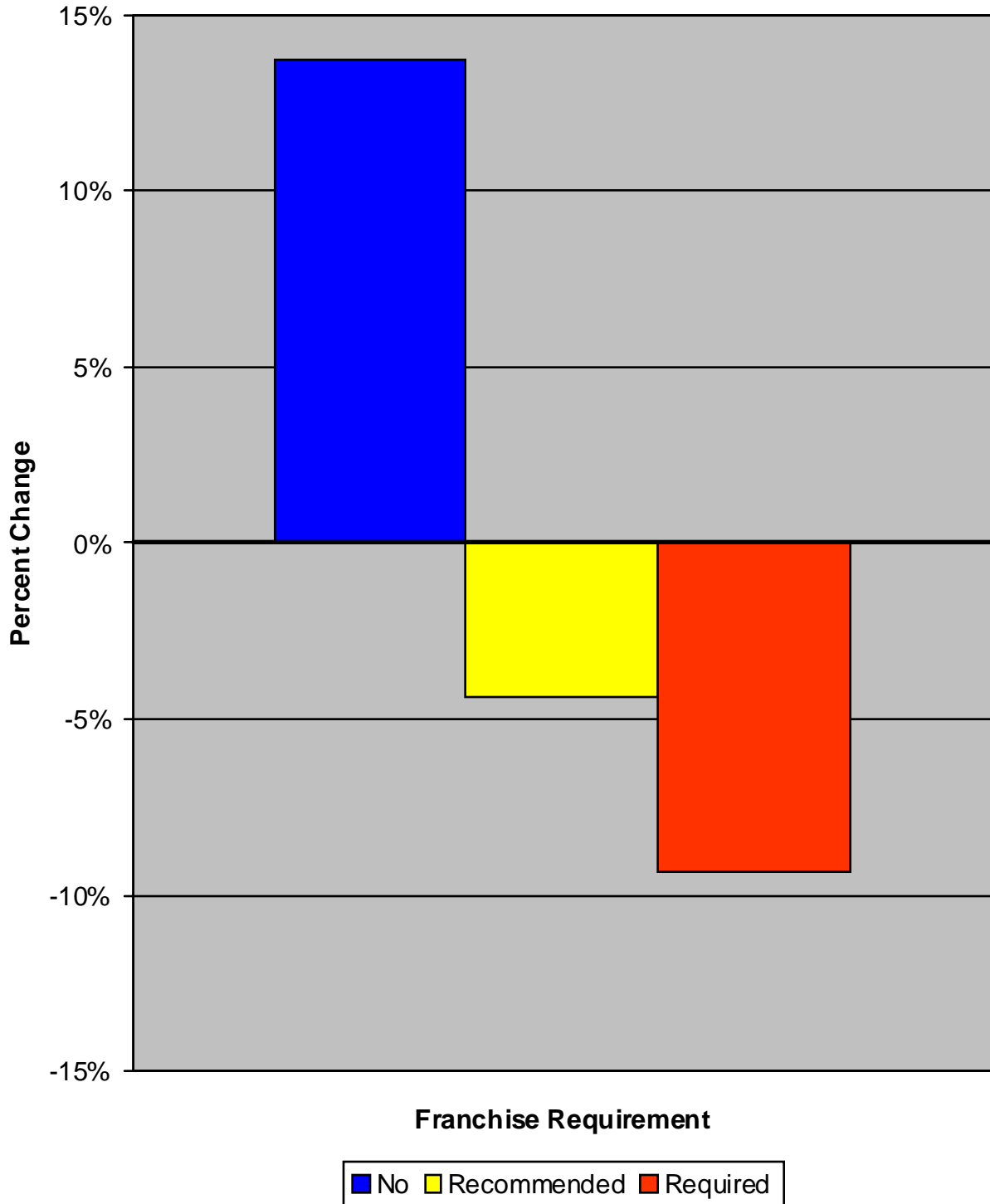
Bar graph: The bar graph on the opposite page depicts the percentage change in franchise population from 1997 to 1998 by industry category. The chart found below contains the source data from which the graph was created.

Positive percentages under "no" represent an increase in the number of systems that do not require or recommend that franchisee be the full-time owner/operator of the franchised location in 1998. Conversely, negative percentages under "no" represent an increase in the number of systems requiring or recommending the franchisee to be the full-time owner/operator of the franchised location in 1998. Data is presented by the 18 Industry Categories and by the total Franchise Population (delineated in the "Total" category).

	No	Recommended	Required	Total
AUTO	16%	-9%	-7%	0%
BAKE	10%	-4%	-6%	0%
BLDG	21%	-12%	-10%	0%
BUSN	7%	-1%	-6%	0%
CHLD	18%	-8%	-10%	0%
EDUC	14%	-7%	-8%	0%
FAST	12%	0%	-12%	0%
LODG	7%	3%	-10%	0%
MAIN	15%	-7%	-8%	0%
PERS	11%	-8%	-4%	0%
PRNT	-3%	9%	-6%	0%
REAL	29%	-9%	-21%	0%
REST	13%	-4%	-9%	0%
RETF	18%	-7%	-12%	0%
RETL	11%	-1%	-10%	0%
SERV	17%	-6%	-11%	0%
SPRT	2%	6%	-7%	0%
TRAV	8%	-27%	19%	0%
Total	14%	-4%	-9%	0%

In reviewing this data, it is important to understand that the Franchise Population from which the data was drawn in Volume III of the **Profile** is not identical to the Franchise Population which was used to collect data for Volume II of the **Profile** (see Chapter V and Appendix B). In fact, only 75% of the systems in Volume III of **Profile** were also in Volume II of the **Profile**. Therefore, large fluctuations in variances may be directly attributable to a change in population within a particular industry group, rather than to any real change in that industry. Please use caution when drawing conclusions from these results.

**10.4
Franchise Population By Requirement
that Franchisee be Full-Time Owner/Operator**



10.5 Franchise Population by Disclosure of Earnings Claim

Description

- Pie Chart:* Chart 10.5 portrays the Franchise Population by whether or not the franchisor includes an earnings claim disclosure in their UFOC. The slices of the pie chart represent how many franchisors either disclose (25%) or do not disclose (75%) earnings claims.
- Bar Graph:* The bar graph breaks down the availability of earnings claims, in relation to each system's industry category. Each bar represents the number of franchise systems within each category.

Methodology

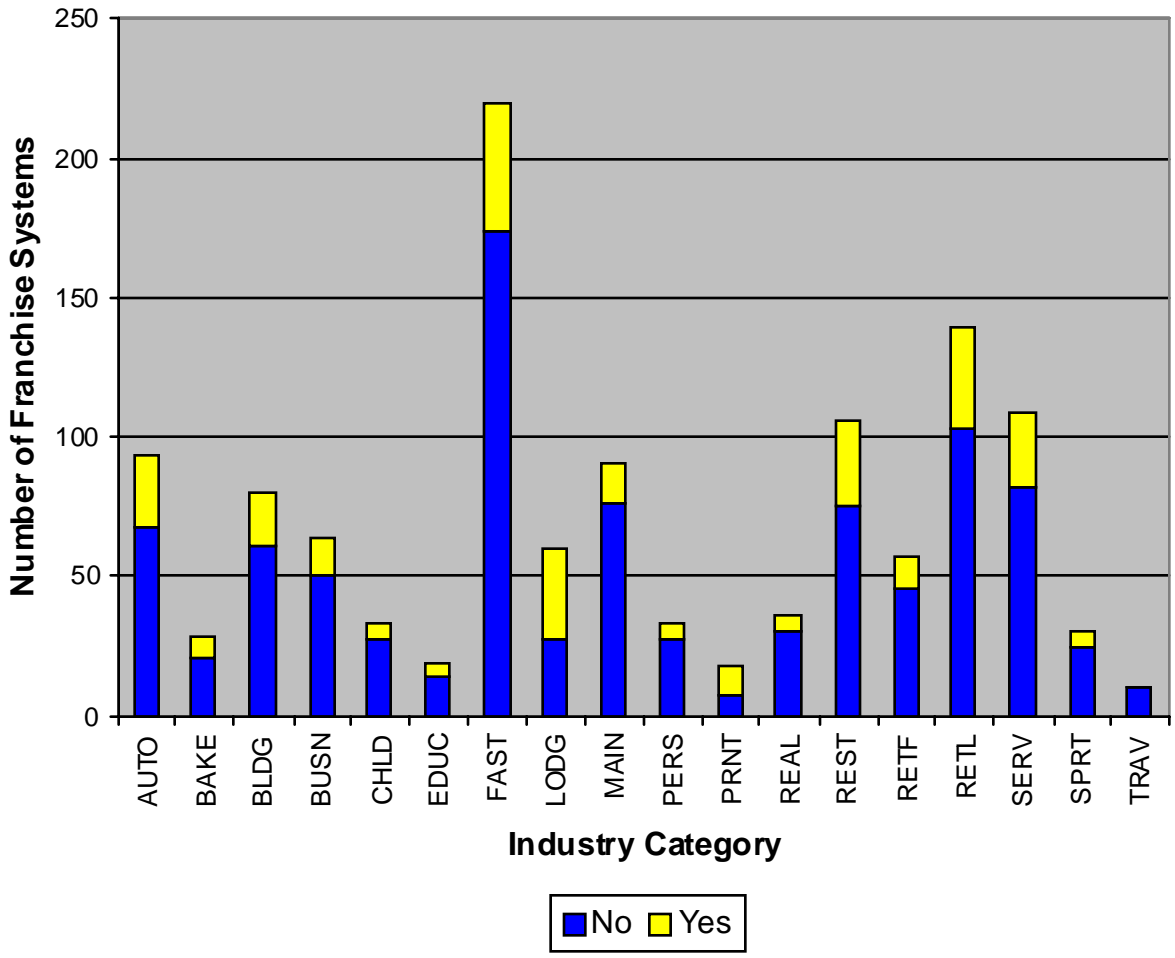
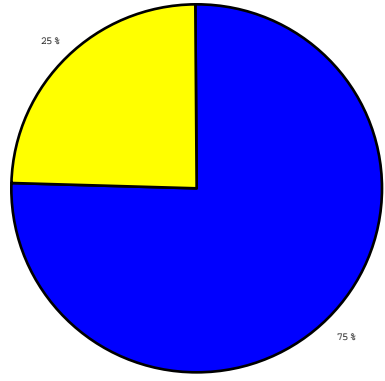
The data for this chart was collected from Item 19 of the UFOC. In this item, the franchisor would disclose whether or not they provided their earnings claim as part of the UFOC.

Selected Findings

- 1) 25% of the franchisors in the Franchise Population disclose earnings claims.
- 2) The Travel Industry (TRAV) has the lowest percentage (9%) of systems disclosing earnings claims.
- 3) The Printing Industry (PRNT) has the highest percentage (61%) of systems disclosing earnings claims.

10.5 Franchise Population by Disclosure of Earnings Claim

1998



10.5 Franchise Population by Disclosure of Earnings Claim

	No	Yes	Total
AUTO	67	26	93
BAKE	21	8	29
BLDG	61	19	80
BUSN	50	14	64
CHLD	27	6	33
EDUC	14	5	19
FAST	174	45	219
LODG	28	32	60
MAIN	76	14	90
PERS	27	6	33
PRNT	7	11	18
REAL	30	6	36
REST	75	31	106
RETF	46	11	57
RETL	103	36	139
SERV	82	27	109
SPRT	25	5	30
TRAV	10	1	11
Total	923	303	1226

	No	Yes	Total
AUTO	72%	28%	100%
BAKE	72%	28%	100%
BLDG	76%	24%	100%
BUSN	78%	22%	100%
CHLD	82%	18%	100%
EDUC	74%	26%	100%
FAST	79%	21%	100%
LODG	47%	53%	100%
MAIN	84%	16%	100%
PERS	82%	18%	100%
PRNT	39%	61%	100%
REAL	83%	17%	100%
REST	71%	29%	100%
RETF	81%	19%	100%
RETL	74%	26%	100%
SERV	75%	25%	100%
SPRT	83%	17%	100%
TRAV	91%	9%	100%
Total	75%	25%	100%

10.5 Franchise Population by Disclosure of Earnings Claim

1997

	No	Yes	Total
AUTO	77	24	101
BAKE	30	5	35
BLDG	57	14	71
BUSN	48	9	57
CHLD	23	7	30
EDUC	15	3	18
FAST	184	30	214
LODG	29	22	51
MAIN	60	14	74
PERS	30	5	35
PRNT	4	12	16
REAL	33	2	35
REST	64	26	90
RETF	48	10	58
RETL	110	24	134
SERV	88	22	110
SPRT	30	5	35
TRAV	13	1	14
Total	943	235	1178

	No	Yes	Total
AUTO	76%	24%	100%
BAKE	86%	14%	100%
BLDG	80%	20%	100%
BUSN	84%	16%	100%
CHLD	77%	23%	100%
EDUC	83%	17%	100%
FAST	86%	14%	100%
LODG	57%	43%	100%
MAIN	81%	19%	100%
PERS	86%	14%	100%
PRNT	25%	75%	100%
REAL	94%	6%	100%
REST	71%	29%	100%
RETF	83%	17%	100%
RETL	82%	18%	100%
SERV	80%	20%	100%
SPRT	86%	14%	100%
TRAV	93%	7%	100%
Total	80%	20%	100%

10.5 Franchise Population by Disclosure of Earnings Claim

Description

Bar graph: The bar graph on the opposite page depicts the percentage change in franchise population from 1997 to 1998 by industry category. The chart found below contains the source data from which the graph was created.

Positive percentages under "yes" represent an increase in the number of systems making an earnings claim disclosure in 1998. Conversely, negative percentages under "yes" represent a decrease in the number of systems making an earnings claim disclosure in 1998. Data is presented by the 18 Industry Categories and by the total Franchise Population (delineated in the "Total" category).

	No	Yes	Total
AUTO	-4.2%	4.2%	0.0%
BAKE	-13.3%	13.3%	0.0%
BLDG	-4.0%	4.0%	0.0%
BUSN	-6.1%	6.1%	0.0%
CHLD	5.2%	-5.2%	0.0%
EDUC	-9.6%	9.6%	0.0%
FAST	-6.5%	6.5%	0.0%
LODG	-10.2%	10.2%	0.0%
MAIN	3.4%	-3.4%	0.0%
PERS	-3.9%	3.9%	0.0%
PRNT	13.9%	-13.9%	0.0%
REAL	-11.0%	11.0%	0.0%
REST	-0.4%	0.4%	0.0%
RETF	-2.1%	2.1%	0.0%
RETL	-8.0%	8.0%	0.0%
SERV	-4.8%	4.8%	0.0%
SPRT	-2.4%	2.4%	0.0%
TRAV	-1.9%	1.9%	0.0%
Total	-4.8%	4.8%	0.0%

In reviewing this data, it is important to understand that the Franchise Population from which the data was drawn in Volume III of the **Profile** is not identical to the Franchise Population which was used to collect data for Volume II of the **Profile** (see Chapter V and Appendix B). In fact, only 75% of the systems in Volume III of **Profile** were also in Volume II of the **Profile**. Therefore, large fluctuations in variances may be directly attributable to a change in population within a particular industry group, rather than to any real change in that industry. Please use caution when drawing conclusions from these results.

**10.5
Franchise Population by Disclosure of Earnings
Claim**

