Education Review of Business Communication 1(1): 81-96.
© 2004 NeilsonJournals Publishing.

Annual Reports: A Tool for Businesses, Investors, and Educators

Geraldine E. Hynes
Sam Houston State University

Abstract. The annual report ostensibly serves a simple purpose in American business – to evaluate the financial performance of the company during the previous year. However, over its seventy-year history, the annual report has taken on more complex functions. Today it is an essential communication tool for improving a company's public relations, credibility, and investor relations, as well as for financial disclosure. This paper describes the evolution of the corporate annual report in the U.S. and the multiple functions it currently performs. In addition, the paper suggests that annual reports are useful in the business communication classroom as a tool for improving students' writing. As an illustration, a classroom exercise using annual report excerpts is described. Finally, the paper calls for research that seeks to clarify the relationship between the writing quality and the effectiveness of annual reports in achieving their goals.

Keywords: business writing, report writing, annual reports, writing training, investor relations, plain language, business communication.

1. Introduction

The annual report is one of a handful of essential communication vehicles in any effective investor relations program. Others are a financial factbook, a broker-oriented fact sheet, and a reprint of management's presentation to the financial community (Millman 1990). The annual report ostensibly serves a simple purpose in American business – to evaluate the financial performance of the corporation during the previous year. This stylized business report originated with the Securities Acts of 1933 and 1934, known as the "truth in securities" laws, but its roots can be traced back to the mid-nineteenth century, when the New York Stock Exchange first urged corporations to publish annual assessments of their financial performance. Over the past 70 years, annual reports have taken on more complex functions.

The purpose of this paper is to describe the evolution of the annual report in the U.S. and to demonstrate the role of this document in investor relations as well as in financial disclosure efforts. Further, this paper identifies opportunities for business communication faculty and professional communication consultants to use annual reports for writing training and education. Finally, research is called for that would clarify the relationship between the writing quality and the effectiveness of annual reports in achieving their goals.

2. The Annual Report as a Financial Disclosure Tool

The annual report as a document type is about 175 years old. Stocks began trading on the New York Stock Exchange (NYSE) in 1792. Some 70 years later, in 1860, the NYSE began asking companies for regular reports. For decades the NYSE urged corporations to publish annual assessments of their financial performance. It received a range of responses. Some companies, such as the Delaware, Lackawanna and Western Railroad, simply refused to comply, saying, "This company makes no reports and provides no statements." Other companies, such as the Northern Pacific Railway Company, readily provided extensive information. In 1897, the NPR's report included 154 pages of narrative and spreadsheets examining every element of the operation, attested to by Price, Waterhouse and Co., Auditors (Murray 1969).

In the early twentieth century, more and more companies responded to the public's desire for full disclosure. Most reports were honest disclosures, though not necessarily understandable. When investors found the reports difficult to interpret, they suspected fraud. The public outcry about a lack of clarity reached its crescendo with the "Matchbook" scandals of the late 1920's. The International Match Corporation controlled three-quarters of the world's match production. It bilked shareholders out of some $500 million by transferring funds around the U.S. and abroad among 400 subsidiary corporations. The fraud was possible because the company refused to allow its books to be audited (Seligman 1983).

Responding to the outcry, Congress passed the Security Act of 1933, known as the "truth in securities" law. This act required that corporations provide investors with financial information about securities that were publicly offered for trade. The law also addressed deceit, misrepresentation, and fraud in the sale of securities. The following year, the Securities Exchange Act of 1934 was passed. In addition to establishing the Securities and Exchange Commission, this law mandated that companies with more than $10 million in publicly traded assets must issue independently audited annual reports (Plung & Montgomery 2004). The laws required:

- A statement of earnings
- A balance sheet
- A statement of cash flow
- A statement of stockholders' equity
- Relevant quantitative and qualitative information needed to understand the data

3. The Annual Report as a Public Relations Tool

After thirty years, a new idea emerged. In addition to answering the financial obligations, annual reports could also serve as the corporation's principal public relations document. As a public relations tool, annual reports became advertisements for the company. Management used them as a platform for touting their philosophies, strategies, and corporate successes.

Annual reports took on a magazine look. They included glossy paper, color photographs, fancy graphics and layouts. For example, the Ringling Brothers and Barnum & Bailey annual report of 1969 resembled its circus programs. The CEO, President, and Treasurer were pictured along with an elephant as "stellar performers." This tendency for extravagance continued for 25 years. In 1984, H.J. Heinz's annual report featured a 40-page salute to the tomato. This document cost $8 a copy to produce (Burrough 1986).

The concept of the annual report as a tool for impression management lives on in today's documents. However, the concept has become more complex. Some companies' 2002 annual reports reverted to a simpler look, perhaps reflecting poor economic conditions. For example, most companies in the airlines industry "simply wrapped a few pages of their chief executive's letter to shareholders around the required 10-K financial report to the Securities and Exchange Commission" (Leckey 2003). But even healthy companies issued simplified annual reports in 2003. Bed Bath & Beyond, a home goods retailer, has no debt and earned $57.5 million in the fourth quarter of 2002. Yet its 2002 annual report was printed in plain black and white, including the cover. There are no glossy color pictures or fancy graphics. The company's corporate counsel and a vice president, Michael Callahan, explained the bare-bones appearance thus: "It's a real thing to save money…. The message we stated [in the annual report] is your money should be spent on the business and in the stores" (Saitz 2003).

4. The Annual Report as a Communication Tool

By 1986, the SEC was receiving criticisms that annual reports sacrificed information for design. Investors wanted shorter reports that gave clearer perspectives on a company's earning potential. "Investors would like to see additional information…such as company outlook, potential valuables, and industry projections. They would like to know the company's plans for the future" (Rezaee & Porter 1993). After three years of study, the SEC agreed to a radical change in reporting style – companies could put detailed financial information into a separate document (the 10-K or Proxy Statement) and create a Summary Annual Report (SAR). This SAR was more compact, concise, and readable. It moved footnote material into the narrative, used more graphs, and wrote financial information in laymen's terms (Kulkosky 1987). The SAR effectively recast the report into the province of the communicator, who would now be assisted by, rather than dictated to by, the analysts and design houses.

The six primary objectives of the SAR are:

1. Encourage readership by making the report easier to read and understand.

2. Provide readers with relevant and concise financial and non-financial information without creating information overload.

3. Improve the quality and effectiveness of financial communications.

4. Enhance shareholder relations and management credibility through more effective communications.

5. Bring production costs in line with the message.

6. Design the document with its multiple purposes in mind. (Plung & Montgomery 2004)

The first company to produce an SAR was McKesson Corporation in 1987. The company claimed they saved $60,000 in production costs, or 20 percent of their annual total expense for financial reports. The corporate Vice President also praised the SAR for "greatly improving the readability of the report and its use as a communication device" (Simone 1988).

5. The Annual Report as a Credibility Tool

After the scandals of 2001 involving Enron, Arthur Andersen, WorldCom, Xerox, and other companies, public confidence in the securities and accounting industries plummeted. Public scrutiny of corporate financial disclosures increased. As a result, while the annual report continues to be recognized as a communication tool, it becomes more important than ever that its writers have the rhetorical skills to compose a document that is clear and understandable. But first and foremost, the annual report must be credible. In particular, the CEO's letter to the stockholders must engender trust and credibility (Courtis 1982). The CEO and the corporation must sustain an image of candor and honesty that accompanies the use of plain language (Plung & Montgomery 2004).

A survey by Hill and Knowlton Inc. and reported by Jacobson (1988) revealed that lack of credibility is the main complaint against annual reports. Critics complain that annual reports are long on fluff and short on substance. One study even suggests that readers can predict how a company's stock will perform based on the language used in the CEO's Letter to Shareholders. CEO's of top performers use optimistic phrases implying confidence and growth, while poor performers tend to discuss neither gains nor losses (Jacobson 1988). Kohut and Segars (1992) also compared the CEO's Letter in annual reports of high performing and low performing corporations and found striking differences in content, themes, and strategies.

These findings are consistent with that of Subramanian, Insley, and Blackwell (1993), who assessed the readability of stockholder letters written by company presidents and CEO's. They found that a tenth grade education was needed to comprehend the reports of companies that were performing well. For companies that were not performing well, a reader would need a fourteenth grade education to read their reports. Thomas (1997) also examined the CEO's Letter and reported a disparity between the readability levels of reports that communicate good news and bad news to shareholders. She found that the letters from companies that were financially stable were easier to read.

6. The Annual Report as a Tool for Investor Relations

When President George W. Bush signed into law the Sarbanes-Oxley Act of 2002, the financial reporting landscape changed forever. The most dramatic change to federal securities laws since the 1930's, the Act redesigns federal regulation of public company corporate governance and reporting obligations. It also significantly tightens accountability standards for corporate directors and officers, auditors, analysts, and legal counsel. Numerous changes are mandated, among which is "increasing transparency" of financial reports, the mandate most relevant to this paper. Furthermore, new powers are granted to the Securities and Exchange Commission (SEC), requiring it to review reporting procedures and strengthening its authority to hand down criminal penalties for "white collar" (economic, non-violent) crimes.

The SEC has already begun implementing its new powers. It has imposed record-breaking fines on companies accused of accounting fraud. The most dramatic examples of corporate abuse of investor trust and the resulting SEC penalties include the following:

Company	SEC-imposed Fine
Arthur Andersen	$7 million
Xerox	$10 million
Morgan Stanley	$125 million
Merrill Lynch	$200 million
Citigroup	$400 million
WorldCom	$500 million

Whether increased oversight, stiffer penalties, and more regulation will improve investor relations remains to be seen. Trust and confidence are complex attitudes that are not easily affected. It is beyond the scope of our research purpose to identify all the factors that influence trust. Nevertheless, if financial statements are clear and informative rather than obfuscative or mindless marketing efforts, then the corporation's credibility can only be improved.

One company that has responded to current demands for transparency is energy-holding company Energen Corporation (EGN), which last year produced the top-rated annual report in the Nicholson Awards. Energen spent $85,000 and took five months to produce its annual report. It candidly acknowledged economic realities facing its oil and natural gas businesses. Frankness and openness in its public disclosures indicate Energen's commitment to extensive reporting and detail (Leckey 2003).

7. The Annual Report as a Tool for Investment Decisions

The business of producing annual reports is estimated as an $8.5 billion per year industry worldwide, about $2 billion of which is spent in the U.S., where about 14,000 annual reports are published (Baldwin 2001, Plung & Montgomery 2004). On average, an annual report takes 5.9 months to complete. About 87 percent use full-color photographs. The average cost per copy is $4.09, with an average print run of about 275,000 (Saitz 2003). Many companies have abandoned the printed and mailed version, instead posting their annual report on their website for interested readers to download.

Information in annual reports includes approximately 40 different categories, including:

- A review of business development activities

- Details of dividends paid
- Details of directors and their shareholdings
- Significant changes in fixed assets
- Significant differences between book and market values of assets
- Various financial reports
    - A profit and loss account for the period
    - Group accounts
    - Source and application of funds statements
    - A balance sheet as of the last day of the period
    - A statement of the accounting policies (Plung & Montgomery 2004)

Three sections generally contain expository narrative that clarifies financial data – the Management Discussion and Analysis section, the CEO's Letter to Shareholders, and the Company Report. Content of the financial sections of annual reports has been analyzed by a number of researchers. Surprisingly, however, few studies have focused on the narrative components (Kohut & Segars, 1992).

The literature shows that investors rely most on financial data from annual reports. The income statement, in particular, appears to have the most impact on investor decision-making (Courtis 1982). Brown (2003) found that analysts also study levels of inventory, accounts receivable, and accounts payable as important elements of a company's working capital. Working capital is considered a sign of a company's efficiency and financial strength.

Narrative components appear to be less important to analysts and investors. The CEO's Letter (a narrative section) was ranked 10^{th} of 11 annual report components in terms of usefulness in investment decisions (Most & Chang 1984). Yet, 77 percent of investors read the CEO's Letter, making it the most widely read section of the annual report (Kohut & Segars 1992). We may conclude that investors at least find the narrative sections interesting. More research is necessary in order to fully understand the connection between shareholders' impressions and beliefs about the company and its executives and shareholders' investment decisions.

Today, investors can get up-to-the-minute stock updates on their PDAs, cell phones, or TV networks devoted exclusively to the market. They can track their portfolios on the Internet. They can access any publicly held company's 10-K reports online. For many of these investors, the financial information in corporate annual reports is obsolete. Other complaints include how they are written – some investors say the writing is sparse and vague or confusing and too complex (Baldwin 2001).

The chief value of today's annual report may be to promote the company image, to describe the company vision to investors, rather than to describe the company's financial condition. In many cases, the annual report is considered by readers to be their only window into the thinking of the company, their sole way to determine what is important to its leaders. Thus, it must be skillfully written and designed to gain the reader's attention and leave a positive impression (Burrough 1986). It must say, "Here is why our company is a worthwhile investment" (Millman 1990). For example, IMC Global, the world's largest producer and marketer of chemicals for the agriculture industry, considers its annual report's function to be "our chief communication document," the best way to "get a feel for the company" (Saitz 2003).

Research has confirmed popular perceptions about what investors and other stakeholders focus on while reading annual reports. Rezaee and Porter (1993) summarized the findings of four major surveys on the contents of a superior annual report, noting that the emphasis was on future rather than past performance – company outlook, potential risks, industry projections, and the company's plans, including financial forecasts. The best reports included the company's strategic and financial philosophy and marketing strategy. Employee, management, and shareholder interviews that reveal views of the company and its future are valuable. In short, readers want people-oriented annual reports that reflect company image. And they want to be able to read them in 5 to 15 minutes (Hawkins & Hawkins 1986).

8. Current Beliefs about Best Practices for Annual Report Writing

Professional communicators are familiar with the eight guidelines offered by Millman (1990) for making annual reports credible and understandable:

1. Define the message and the themes. Concentrate on the themes at every stage of the development and review process.

2. Speak directly to your audience.

3. Face up to disappointing results. Take responsibility for problems. Present solutions.

4. Admit there are competitors and tell what is being done to maintain market share.

5. Make your projections real and meaningful.

6. Use clear language, graphs, and charts to make information and financial data understandable.

7. Use a design that reinforces the message and the corporate identity.

8. Invite your "partners," the audience, into the discussion. Make certain you address what they want and need.

U.S. federal government agencies have a tradition of supporting efforts to improve reporting to consumers and stakeholders. A call for understandable writing in government documents during the 1990's resulted in the formation of the Plain Language Action and Information Network, part of the National Partnership for Reinventing Government. The Plain Language Action and Information Network is a government-wide group of volunteers working to improve communications from the federal government to the public. They believe better communication will increase trust in government, reduce government costs, and reduce the burden on the public. Their web site, hosted by the GSA, contains many resources to help writers improve their documents.

The U.S. Securities and Exchange Commission is one of almost fifty agencies of the federal government that have joined the plain language movement (www.plainlanguage.gov). In 1998, SEC Chairman Arthur Levitt commissioned the Office of Investor Education and Assistance to publish *A Plain English Handbook* (www.sec.gov). Designed to help writers create clear SEC disclosure documents, the handbook is not under copyright restriction and may be downloaded and printed by all. In his Introduction, Chairman Levitt explained the benefits of plain English for investors, brokers, companies, and even lawyers. He urged writers "in long and short documents, in prospectuses and shareholder reports, to speak to investors in words they can understand. Tell them plainly what they need to know to make intelligent investment decisions" (U.S. SEC, 1998).

In his new book, *Take on the Street*, Levitt continues his plain English crusade. He expresses frustration that the current chairman of the SEC does not follow this initiative more aggressively, and suggests that the bully pulpit, rather than legislation, is the best way to bring more clarity to financial reporting practices. We believe that empirical research may also provide guidelines for understandable, well-written financial disclosure documents.

9. Call for Research

There is a need for research that will help to improve the ways annual reports are written. In order to achieve this goal, researchers must identify the strengths and weaknesses of financial reports currently being generated and distributed to stakeholders, who make financial decisions at least partly on the basis of the information found in them. Further, best practices must be identified to guide report writers in composing clear, understandable documents. These findings also should be shared with undergraduate and graduate educational institutions so they can enhance curricula, allowing students to gain competencies they will need in the work world – such as report writing – and competencies they will need when they make important financial decisions.

As a start, Bexley and Hynes (2003) investigated the perceptions of executives and top managers of community banks – small organizations in a single industry with high communication activity. The subjects were asked to evaluate the writing quality of routine documents and formal reports generated at their banking institutions. Communication competency was measured from two perspectives – internal and external. That is, the study investigated the perceived effectiveness of documents circulated within the banks (internal) and documents that were sent to customers and other stakeholders (external). Results indicate that executives perceive their most senior managers' writing ability to be the best, while they believe their first-line managers and supervisors have lower level writing skills. The most serious writing weaknesses are in organization, clarity, and mechanical correctness.

While it is interesting to investigate what executives think of reports written in their own firms, it may be even more useful to study what external audiences think of such documents. By then comparing perceptions of writers (and their supervisors) to perceptions of intended readers, we may reveal important differences of opinion about report effectiveness. Thus, a logical next step in the process of determining best report writing practices is to investigate intended audiences' perceptions of annual reports. Shareholders, employees, and other stakeholders should be asked to evaluate the quantity of the information and quality of the writing. The readers should be asked how they read the annual reports, what parts they read, their level of understanding of the information, their assessment of the reports' clarity and design, and their perceptions about the reports' authors. How the readers use the reports, such as in making financial decisions, should also be researched. Another factor of interest is whether the annual reports are read as hard copy or as electronic documents.

Rhetorical analysis of annual reports is also important. Annual reports should be evaluated for readability, format, design, and content by a team of interdisciplinary researchers. Through a close textual analysis, researchers should identify ways that the written information may be affecting readers in unintentional ways. For example, is the language gender neutral or does the text present gender-based assumptions? Additionally, how is the culture of the corporation depicted in the annual reports?

After the documents themselves are analyzed, discourse-based interviews with their authors should be conducted. Writing teams employed by the companies, whether working within the companies or in public relations firms contracted by the companies, should be asked about the processes and strategic decisions they make when composing annual reports. "Discourse-based interviews get at the tacit knowledge that a writer may employ in addressing a rhetorical situation; they also discover evidence that the writer often seems to work out of a sense of meeting a collective purpose determined by the agency" (Debs 1993). Linked with read- and think-aloud protocols, these techniques are designed to learn what writers were thinking and how they employed the writing process while composing these important documents (Barnum 2002). Such inquiry would determine their motivations and goals, e.g., disclosing information to shareholders and promoting business for the company, and their perceptions about the intended readers. Additionally, the mode of communication among writing teams, any user testing that is conducted, and other process-related issues should be identified.

To summarize, we have described opportunities to conduct research on corporate annual reports from several perspectives. First, the reports' effectiveness can be investigated from the perspective of the corporate executives who authorize them. Second, the reports' effectiveness can be investigated from the intended audiences' perspectives. Third, the documents themselves can be evaluated using rhetorical analysis techniques. Fourth, discourse-based interviews with the report writers can be conducted to determine their intentions and decisions during the composing process. Best practices for annual report writing should emerge from this multi-directional research.

10. The Annual Report as a Training Tool

Ultimately, using the results of this comprehensive research, a set of guidelines for composing annual reports should be developed. These guidelines should be offered to companies that are interested in improving their annual reports and other financial documents and, hence, investor relations. To accompany the guidelines, professional communication consultants should design seminars for writers of financial disclosure statements. The seminars would incorporate user-centered writing techniques gleaned from comparing the data received from the writers and the readers. By offering these opportunities for employee training and development, radical change would be effected in some of the current communication processes and protocols of participating organizations.

11. The Annual Report as an Educational Tool

Clearly the results of such research also have implications for higher education. Smith and Demichiell (1996) emphasized the importance of stakeholder surveys in designing curriculum. The results of this research may imply that business communication courses are integral parts of both undergraduate and graduate business programs. As Tebeaux (1996) argues, research in nonacademic discourse is useful and applicable to students who are being prepared to work in the nonacademic world. Linking the results of this study back to the classroom suggests that students will be able to build their analytic writing skills while still in school so that their abilities to negotiate workplace discourse will be based on critical skills rather than on writing practices that corporate managers agree have not improved in the last decade (Tebeaux, 1996). Specific communication competencies, such as report writing and financial disclosure techniques, can be fostered in undergraduate and graduate courses so that graduates enter the workforce with necessary skills already in place.

The classroom project described below illustrates how corporate annual reports can be utilized as an educational tool (Hynes & Bexley, 2004). The project was conducted in two MBA courses. Students were asked to read excerpts from two annual reports and to evaluate their writing quality. Based on their reactions to the discourse features of the excerpts, the students were asked how likely they were to invest in the companies. The students were also asked to describe their own investment decision process, and, in particular, how they use annual reports in that process.

Excerpts were selected from the 2002 annual reports of two banks, one a regional bank (Company A) and the other a national bank (Company B). The excerpts were taken from the Management Discussion and Analysis section of each annual report, a narrative section rather than a section containing only financial data. All bank identifying information was withheld. The Flesch Reading Ease score was 24.8 for Company A's excerpt and 12.3 for Company B's excerpt. The Reading Ease score rates text on a 100-point scale – the higher the score, the easier it is to understand the text. This formula factors in average sentence length and average number of syllables per word. Thus, according to this readability formula, Company A's excerpt was easier to read than Company B's excerpt. Both excerpts included graphic elements such as charts, tables, and headings.

The students evaluated each excerpt's writing quality using the U.S. Securities and Exchange Commission's writing guidelines, as described in their *Plain English Handbook* (SEC, 1998). The *Handbook* offers writers of prospectuses and other corporate reports a set of standards for presenting "information in a clear, concise, and understandable manner" (p. 66). A rating form listing the SEC's guidelines was provided for each excerpt.

The students rated Company A's excerpt as slightly better organized. This result is not surprising, considering that Company A's excerpt was shorter. On the other hand, the students rated Company B's excerpt as slightly more "understandable on the first reading." During class discussion of this result, which contradicts the Flesch Reading Ease scores of the two excerpts, students noted that Company B's excerpt had an average of 2.7 sentences per paragraph, while Company A's paragraph length averaged 4.1 sentences. The students agreed that the shorter paragraphs in Company B's excerpt increased understandability.

The students also rated the two excerpts' language and sentences. The excerpt from Company A's annual report was rated slightly higher than Company B's on the factors of conciseness, use of everyday words, positive tone, sentence length, active voice, personal pronouns, and strong verbs. There were no differences in ratings of the two excerpts in terms of concrete language, parallelism, or repetition. Next, the students rated the excerpts' design elements. Company A's bar graphs received higher ratings than Company B's tables, while Company B received higher ratings than Company A for its excerpt's descriptive headings.

Questions about the students' own investment decision-making process yielded interesting results. Over 50 percent of the students said that they "always" or "often" read a company's annual report when considering investing in it. Only 13.6 percent said that they "never" read annual reports. Further, 43.2 percent said that their investment decisions are greatly affected by the understandability of a company's annual reports, while just 20.4 percent said they are not affected by an annual report's understandability. Classroom activities using corporate annual reports, such as the one described above, can increase awareness of the importance of professional writing skills and motivate students' efforts to improve.

12. Conclusion

This paper described the evolution of the annual report in the U.S. and demonstrated the role of this document in investor relations and investment decision making. In addition, research is called for that would seek to clarify the relationship between the quality of the writing and the effectiveness of annual reports in achieving their goals. Previous research leads us to propose that improving the transparency of annual reports will improve investor relations. Following the enactment of the Sarbanes-Oxley Act, companies have a greater incentive for improving the quality of financial reporting. With the media, analysts, investors, and government leaders all challenging companies' integrity, financial reports of publicly held companies should be comprehensible and written in "plain English" (Deloitte & Touche 2002).

In Berkshire-Hathaway's 1998 annual report, Chairman Warren Buffett described his goals in reporting: "We want to give you the information that we would wish you to give us if our positions were reversed, and we want to make Berkshire's information accessible to all of you…" These are worthy goals for all corporate financial reports. And professional communication practitioners, together with business communication faculty in academic institutions, must stand ready to help present and future corporate writers learn how to reach these goals.

References

Baldwin, A. (2001, May 1), "Technology is Making Annual Reports Passé", *St. Louis Post-Dispatch*. P. C1.

Bexley, J.B. and Hynes, G.E. (2003), "Bank Officers' Perceptions of Managerial Writing Competency", Proceedings of the *Association for Business Communication - Southwestern U.S. Conference*, Houston, TX, 7-11.

Brown, K. (2003, Feb 14), "How to Spot Some Dirt in Rosy Annual Reports", *The Wall Street Journal Online,* Retrieved Feb 14, 2003, from http://online.wsj.com/article_print/0,,SB1045177637126789143,00.html.

Burrough, B. (1986, Oct. 23), "Here is our Report on a Report about Corporate Annual Reports", *The Wall Street Journal*, p. 35.

Cato, S. (1987, Feb 10), "When Preparing Annual Reports, Less is Definitely More", *The Wall Street Journal*, p. 38.

Courtis, J.K. and Hassan, S.J. (2002), "Reading Ease of Bilingual Annual Reports", *Journal of Business Communication 39*(4): 394-413.

Courtis, J.K. (1982), "Private Shareholder Response to Corporate Annual Reports", *Accounting and Finance 22:* 53-72.

Debs, M. (1993), "Corporate Authority: Sponsoring Rhetorical Practice", *Writing in the Workplace: New Research Perspectives*, Southern Illinois University Press.

Deloitte & Touche LLP (2002), "Quality of Financial Position: The Balance Sheet and Beyond", *#3* in IQ Series of Deloitte & Touche publications.

Hawkins, D. and Hawkins, B.A. (1986), "The Effectiveness of the Annual Report as a Communication Vehicle", *Financial Executive Research Foundation..* Referenced in Rezaee & Porter (1993).

Hazard, J.W. (1985, Feb. 18), "How to Read Those Annual Reports", *U.S. News and World Report*, p. 74.

Hynes, G.E. and Bexley, J.B. (2004), "The Contribution of Banks' Annual Report Writing Quality to Investor Decision-Making", *Journal of the Academy of Commercial Banking and Finance* (forthcoming).

Ingram, R.W. and Frazier, K.B. (1983), "Narrative Disclosures in Annual Reports", *Journal of Business Research 11:* 49-60.

Jacobson, G. (1988), "How Valuable is Your Annual Report?" *Management Review 77(*10): 51-53.

Jameson, D.A. (2000), "Telling the Investment Story: A Narrative Analysis of Shareholder Reports", *Journal of Business Communication 37*(1): 7-38.

Kohut, G.F. and Segars, A.H. (1992), "The President's Letter to Stockholders: An Examination of Corporate Communication Strategy", *Journal of Business Communication 29*(1): 7-21.

Kulkosky, E. (1987, Feb. 10), "Brave New World of Annual Reports", *The Wall Street Journal,*p. 38.

Leckey, A. (2003, April 25), "As Slump Continues, Annual Reports Turn Candid", *Milwaukee Journal Sentinel*. http://www.jsonline.com/bym/invest/apr03/136204.asp. Retrieved July 28, 2003.

Levitt, A. (2002), *Take on the Street: What Wall Street and Corporate America Don't Want you to Know,* New York: Pantheon Books, Division of Random House, Inc.

Means, T.L. (1981), "Readability: An Evaluative Criterion of Stockholder Reaction to Annual Reports", *Journal of Business Communication 18*(1): 25-33.

Millman, R.B. (1990), "Making the Most of Your Annual Report", *Management Review 79*(10): 52-55.

Most, K.S. and Chang, L.S. (1984), *Investors and Annual Financial Statements: A Behavioral Study,* Working Paper, Florida International University.

Murray, M.W. (1969), *Engineered Report Writing,* Tulsa, OK: The Petroleum Publishing Co.

Nadler, P. (1999), "Nothing Equals the CEO's Personal Attention to Others", *American Banker 164(*109): 7.

Nilsson, S. (1997), "Understandability of Narratives in Annual Reports", *Journal of Technical Writing and Communication 27*: 361-384.

Plung, D.L. and Montgomery, T.T. (2004), *Professional Communication: The Corporate Insider's Approach,* Thomson Learning/South-Western.

Rezaee, Z., and Porter, G.W. (1993, Summer-Fall), "Can the Annual Report Be Improved?" *Review of Business 15*(1): 38-41.

Saitz, G. (2003, July 13), "A Bit of Sheen is Off Annual Reports", *Houston Chronicle,* p. 1D.

Sarbanes-Oxley Act of 2002, retrieved April 28, 2003, from http://www.cpeonline.com/cpenew/sarox.asp.

Seligman, J. (1983), "The Historical Need for a Mandatory Corporate Disclosure System", *Journal of Corporation Law 9(*1): 1-61.

Simone, T.B. (1988), "Behind the Scenes: How McKesson Produced the First Summary Annual Report", *Financial Executive 4*(1): 49-52.

Smith, S. J. and Demichiell, R.L. (1996), "Survey of Stakeholders: A Tool for Assessing the Importance of Proposed Curriculum Changes", *Journal of Education for Business*, 325-328.

"Some Annual Reports Are Worth Reading" (1999, July), *Inc. Magazine*, p. 85.

Subramanian, R., Insley, R.G., and Blackwell, R.D. (1993), "Performance and Readability: A Comparison of Annual Reports of Profitable and Unprofitable Corporations", *Journal of Business Communication 30*(1): 49-61.

Tebeaux, E. (1996), "Nonacademic Writing in the 21st Century", *Nonacademic Writing: Social Theory and Technology,* Mahwah, NJ: Lawrence Erlbaum Associates.

Thomas, J. (1997), "Discourse in the Marketplace: The Making of Meaning in Annual Reports", *Journal of Business Communication 34*(1): 47-66.