

# **The Impact of Text and Graphical Displays of Non-GAAP Earnings Measures on Professional and Non-Professional Earnings Judgments**

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This study presents the results of an experiment that examines how different online reporting formats for non-GAAP (i.e., pro forma) financial results affect professional and non-professional investor judgments. We examine the effects of pro forma earnings information presented in a textual format and in graphical interactive data views (IDVs). Participants viewed a simulated investor relations web site for a large drug retailer and made judgments regarding fourth quarter and fiscal year earnings. We found that presenting pro forma information in both text and IDV formats had an effect on nonprofessionals' earnings judgments, but did not affect professionals' judgments. We also found that the presence of pro forma earnings information had differential effects on the relative amount of time that non-professionals and professionals spent examining both income statement and quarterly earnings press release information.