<https://www.google.li/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwjM9tyhw9LPAhUE0xQKHUndBM4QFggiMAA&url=https%3A%2F%2Fen.wikipedia.org%2Fwiki%2FJaws_ratio&usg=AFQjCNE9vyHi-AACLvtK25ACkiF10ixCaA>

**Auf google.de erster Platz**

Jaws ratio

From Wikipedia, the free encyclopedia

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The **jaws ratio** is a measure used in [finance](https://en.wikipedia.org/wiki/Finance) to demonstrate the extent to which a trading entity's [income growth rate](https://en.wikipedia.org/w/index.php?title=Income_growth_rate&action=edit&redlink=1) exceeds its [expenses growth rate](https://en.wikipedia.org/w/index.php?title=Expenses_growth_rate&action=edit&redlink=1), measured as a percentage.

Strictly speaking it is not a true ratio in that the calculation is not expressed as one number divided by another, and is calculated as follows:

*Jaws ratio = Income Growth Rate - Expense Growth Rate*

The jaws ratio is significant in that a larger positive value demonstrates that a trading entity is effectively generating more income over time than it is generating expenses, thereby potentially increasing its profitability, and profitability growth rate.

The ratio may also be a negative percentage, which should be a cause for concern for the owners / management of a trading entity as this will over time result in eroded profitability.

[Categories](https://en.wikipedia.org/wiki/Help:Category):

* [Financial ratios](https://en.wikipedia.org/wiki/Category:Financial_ratios)