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## THIRD QUARTER 2016 DATA FROM THE QUARTERLY FINANCIAL REPORT: LARGE U.S. RETAIL TRADE CORPORATIONS



### After-Tax Profits and Sales, Third Quarter 2016 – Seasonally Adjusted

Seasonally adjusted after-tax profits of U.S. retail corporations with assets of \$50 million and over totaled \$23.9 billion, up \$0.6 ( $\pm 0.1$ ) billion from the \$23.3 billion recorded in the second quarter of 2016, and up \$3.7 ( $\pm 0.2$ ) billion from the \$20.1 billion recorded in the third quarter of 2015.

Seasonally adjusted sales for the quarter totaled \$708.1 billion, up \$9.8 ( $\pm 2.5$ ) billion from the \$698.3 billion recorded in the second quarter of 2016, and up \$27.3 ( $\pm 6.0$ ) billion from the \$680.8 billion recorded in the third quarter of 2015.

### After-Tax Profits and Sales, Third Quarter 2016 – Not Seasonally Adjusted

Third quarter 2016 after-tax profits of U.S. retail corporations with assets of \$50 million and over totaled \$22.1 billion, up \$3.7 ( $\pm 0.2$ ) billion from the after-tax profits of \$18.3 billion recorded in the third quarter of 2015, but down \$0.3 ( $\pm 0.1$ ) billion from the after-tax profits of \$22.4 billion recorded in the second quarter of 2016.

Sales in the third quarter of 2016 were \$698.5 billion, up \$27.7 ( $\pm 6.0$ ) billion from the \$670.8 billion recorded in the third quarter of 2015, but not statistically different from the \$696.2 billion recorded in the second quarter of 2016.

### **Announcement regarding upcoming format changes**

With the release of the Fourth Quarter 2016 QFR on March 20, 2017, the presentation of the release will change. We are removing the text portion of the release from Excel. The redesigned text will be available as a Word document. The layout and format of the tables is not currently changing, though some explanatory notes may move to the text portion of the document. The full text and tables will still be available as a PDF. For more information and a preview of the new format, visit <[www.census.gov/econ/qfr](http://www.census.gov/econ/qfr)>.

**Table 1. U.S. Retail Trade Corporations, Assets \$50 Million and Over –  
Not Seasonally Adjusted Income Statement<sup>1,2</sup>**

Item	3Q	2Q	3Q
	2016	2016 <sup>3</sup>	2015 <sup>3</sup>
	(million dollars)		
Net sales, receipts, and operating revenues .....	698,471	696,178	670,756
Less: Depreciation, depletion, and amortization .....	14,346	14,153	13,628
Less: All other operating costs and expenses .....	652,983	647,516	626,086
<b>Income (or loss) from operations</b> .....	<b>31,142</b>	<b>34,508</b>	<b>31,042</b>
Interest expense .....	5,220	5,434	5,028
Net nonoperating income (expense) .....	5,051	3,615	1,785
<b>Income (or loss) before income taxes</b> .....	<b>30,974</b>	<b>32,690</b>	<b>27,799</b>
Less: Provision for current and deferred domestic income taxes .....	8,893	10,281	9,467
<b>Income (or loss) after income taxes</b> .....	<b>22,081</b>	<b>22,409</b>	<b>18,332</b>
Cash dividends charged to retained earnings in current quarter .....	7,581	7,205	6,768
<b>Net income retained in business</b> .....	<b>14,499</b>	<b>15,205</b>	<b>11,565</b>
Retained earnings at beginning of quarter .....	416,937	407,737	409,784
Other direct credits (or charges) to retained earnings (net) .....	(5,634)	(7,005)	(17,700)
<b>Retained earnings at end of quarter</b> .....	<b>425,803</b>	<b>415,936</b>	<b>403,648</b>

Footnotes:

<sup>1</sup>This table only includes estimates for corporations with assets of \$50 million and over at the time of sample selection.

<sup>2</sup>Complete Income Statement and Balance Sheet Financial Tables are available at the QFR website <http://www.census.gov/econ/qfr>.

<sup>3</sup>Revised.

**Table 2. U.S. Retail Trade Corporations, Assets \$50 Million and Over –  
Not Seasonally Adjusted Income Statement Ratios<sup>1,2</sup>**

Item	3Q	2Q	3Q
	2016	2016 <sup>3</sup>	2015 <sup>3</sup>
	(cents per dollar of sales)		
Net sales, receipts, and operating revenues .....	100.00	100.00	100.00
Less: Depreciation, depletion, and amortization .....	2.05	2.03	2.03
Less: All other operating costs and expenses .....	93.49	93.01	93.34
<b>Income (or loss) from operations</b> .....	<b>4.46</b>	<b>4.96</b>	<b>4.63</b>
Interest expense .....	0.75	0.78	0.75
Net nonoperating income (expense) .....	0.72	0.52	0.27
<b>Income (or loss) before income taxes</b> .....	<b>4.43</b>	<b>4.70</b>	<b>4.14</b>
Less: Provision for current and deferred domestic income taxes .....	1.27	1.48	1.41
<b>Income (or loss) after income taxes</b> .....	<b>3.16</b>	<b>3.22</b>	<b>2.73</b>

Footnotes:

<sup>1</sup>This table only includes estimates for corporations with assets of \$50 million and over at the time of sample selection.

<sup>2</sup>Complete Income Statement and Balance Sheet Financial Tables are available at the QFR website <http://www.census.gov/econ/qfr>.

<sup>3</sup>Revised.

**Table 3. U.S. Retail Trade Corporations, Assets \$50 Million and Over –  
Not Seasonally Adjusted Operating Ratios<sup>1, 2</sup>**

Item	3Q	2Q	3Q
	2016	2016 <sup>3</sup>	2015 <sup>3</sup>
	(percent)		
Annual rate of profit on stockholders' equity at end of period:			
Before income taxes .....	25.52	27.23	23.10
After income taxes .....	18.19	18.67	15.24
Annual rate of profit on total assets:			
Before income taxes .....	8.59	9.36	8.03
After income taxes .....	6.13	6.41	5.29

Footnotes:

<sup>1</sup>This table only includes estimates for corporations with assets of \$50 million and over at the time of sample selection.

<sup>2</sup>Complete Income Statement and Balance Sheet Financial Tables are available at the QFR website <http://www.census.gov/econ/qfr>.

<sup>3</sup>Revised.

**Table 4. U.S. Retail Trade Corporations, Assets \$50 Million and Over –  
Seasonally Adjusted Sales and Net Income After Tax<sup>1, 2</sup>**

Industry group and year	Sales <sup>3</sup>				Net Income After Tax <sup>3</sup>			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(million dollars)				(million dollars)			
All retail								
2005 .....	437,740	447,896	458,804	467,544	13,104	14,886	14,614	15,958
2006 .....	480,112	493,174	498,026	501,469	16,422	15,018	15,273	16,101
2007 .....	509,677	514,975	516,541	520,433	15,222	18,526	14,514	13,894
2008 .....	523,265	536,557	531,954	500,345	12,122	13,523	10,036	(7,115)
2009 .....	495,864	495,325	509,132	519,096	8,386	14,065	13,330	20,369
2010 .....	532,369	534,836	540,062	549,947	16,564	17,436	15,127	18,727
2011 .....	567,945	585,141	586,039	585,396	16,967	18,595	17,454	16,026
2012 .....	605,142	597,777	602,258	610,057	16,601	20,029	16,964	19,931
2013 .....	622,148	626,292	634,467	640,547	17,304	22,084	19,262	21,994
2014 .....	645,967	658,042	662,652	667,728	14,642	21,410	18,062	19,937
2015 .....	658,536	672,292	680,816	682,477	23,095	22,331	20,140	23,649
2016 .....	689,105	698,300	708,084		20,230	23,331	23,883	

Footnotes:

<sup>1</sup>This table only includes estimates for corporations with assets of \$50 million and over at the time of sample selection.

<sup>2</sup>For information on adjustment for seasonal variation, see the Introduction, Survey Methodology section, in the Quarterly Financial Report for Manufacturing, Mining, Trade, and Selected Service Industries, or at the QFR internet website <http://www.census.gov/econ/qfr/collection.html>.

<sup>3</sup>Revised.

### ACCESS TO QFR DATA

This press release can be viewed today in portable document format (.pdf) at the QFR internet website <http://www.census.gov/econ/qfr/index.html>. Summary statements of income and retained earnings, balance sheets, and related financial and operating ratios for retail trade corporations, as well as information on adjustments for seasonal variation, are available at the QFR internet website. Time series/trend chart data are available at <http://www.census.gov/econ/qfr/index.html>, select the Time Series/Trend Charts link under Latest QFR Press Releases.

### RELIABILITY OF THE ESTIMATES

Estimates of change presented in this press release are calculated using unrounded data. The calculated difference is then rounded to the nearest unit of measure. Due to this rounding, differences may not add to the totals. The same applies to the calculated confidence intervals. Thus, a difference of \$0.0 billion indicates the difference is less than \$0.05 billion. A confidence interval of  $\pm 0.0$  billion indicates a confidence interval with width of less than  $\pm 0.05$  billion on each side of the estimated value.

Data in this press release are based on quarterly financial reports from approximately 600 U.S. corporations. The data are estimated from a sample survey and are subject to sampling and nonsampling errors.

Sampling error occurs because only a subset of the entire population is measured. Estimates of sampling error can be computed based on the sample and used to construct confidence intervals around the estimates. Statements of change appearing in this report include 90 percent confidence intervals. Thus, a statement in the report such as “up \$2.5 ( $\pm 0.2$ ) billion” estimates the interval (+\$2.3 billion to +\$2.7 billion) within which the actual value is likely to fall in 90 percent of samples of the same size and design, drawn from the same population. If the range of estimated change contains zero (0), then it is uncertain whether there is an increase or decrease; that is, the change is not statistically different from zero (0).

Nonsampling error encompasses all other factors that contribute to the total error of a survey, including response errors, nonresponse, and coverage errors. Although no direct measures of nonsampling error are available, precautionary steps were taken in all phases of the collection, processing, and tabulation of the data in an effort to minimize their influence. The quarterly publication, *Quarterly Financial Report for Manufacturing, Mining, Trade and Selected Service Industries – Third Quarter 2016* (QFR/16-Q3), includes more detailed explanations of nonsampling and sampling error, and additional measures of sampling variability.

### DATA QUALITY INDICATORS

The QFR produces two indicators of data quality: the Unit Response Rate (URR) and the Total Quantity Response Rate (TQRR)<sup>1</sup>. The URR is defined as the percentage of sampled units (unweighted) that responded to the current quarter’s survey. In determining the URR, a unit is classified as a respondent if it provided adequate information for key QFR data items. The TQRR is defined as the proportion of the weighted estimated total of a key QFR data item that is either reported by a survey unit or acquired from some other information source (such as a publicly available quarterly or annual report) that is determined to be equivalent in quality to reported data. The TQRR is calculated for the QFR data items Net sales, Depreciation, Income before income taxes, and Total assets.

The Unit Response Rate (URR) and Total Quantity Response Rates (TQRR) for the current quarter are: URR for All retail trade: 54.3%; TQRR for Net sales: 81.9%; TQRR for Depreciation: 82.2%; TQRR for Income before income taxes: 84.3%; and TQRR for Total assets: 82.9%. For more information, see the Introduction, Survey Methodology section, in the *Quarterly Financial Report for Manufacturing, Mining, Trade, and Selected Service Industries*.

<sup>1</sup>Imputation Rate = 100% - TQRR.

<b>U.S. Retail Trade Corporations Schedule of Release Dates for Calendar Year 2016</b>	
Fourth Quarter 2015	March 21, 2016
First Quarter 2016	June 6, 2016
Second Quarter 2016	September 6, 2016
Third Quarter 2016	December 5, 2016