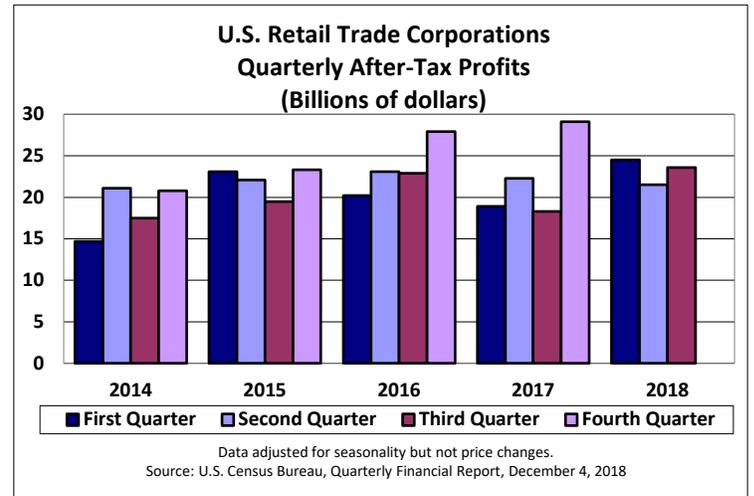


QUARTERLY FINANCIAL REPORT: LARGE U.S. RETAIL TRADE CORPORATIONS, THIRD QUARTER 2018

Release Number: CB18-186

December 4, 2018 — The U.S. Census Bureau announced the following seasonally adjusted quarterly after-tax profits for retail trade industries statistics for Third Quarter 2018:

U.S. RETAIL TRADE CORPORATIONS QUARTERLY AFTER-TAX PROFITS	
Third Quarter 2018	\$23.6 billion
Second Quarter 2018 (Revised)	\$21.5 billion
Third Quarter 2017 (Revised)	\$18.3 billion
Next release: March 18, 2019	
Data adjusted for seasonality but not price changes. Source: U.S. Census Bureau, Quarterly Financial Report, December 4, 2018	



After-Tax Profits and Sales, Third Quarter 2018 – Seasonally Adjusted

Seasonally adjusted after-tax profits of U.S. retail corporations with assets of \$50 million and over totaled \$23.6 billion, up \$2.2 (± 0.2) billion from the \$21.5 billion recorded in the second quarter of 2018, and up \$5.3 (± 0.2) billion from the \$18.3 billion recorded in the third quarter of 2017.

Seasonally adjusted sales for the quarter totaled \$771.8 billion, not statistically different from the \$767.9 billion recorded in the second quarter of 2018, but up \$38.6 (± 11.4) billion from the \$733.2 billion recorded in the third quarter of 2017.

After-Tax Profits and Sales, Third Quarter 2018 – Not Seasonally Adjusted

Third quarter 2018 after-tax profits of U.S. retail corporations with assets of \$50 million and over totaled \$22.4 billion, up \$5.3 (± 0.2) billion from the after-tax profits of \$17.1 billion recorded in the third quarter of 2017, and up \$1.9 (± 0.2) billion from the after-tax profits of \$20.5 billion recorded in the second quarter of 2018.

Sales in the third quarter of 2018 were \$760.7 billion, up \$38.3 (± 11.4) billion from the \$722.4 billion recorded in the third quarter of 2017, but not statistically different from from the \$766.0 billion recorded in the second quarter of 2018.

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The Fourth Quarter 2018 Quarterly Financial Report for Retail Trade Industries is scheduled for release on March 18, 2019. View the full schedule in the Economic Briefing Room:

<www.census.gov/economic-indicators/>. The full text and tables of this release can be found at <www.census.gov/econ/qfr/>.

EXPLANATORY NOTES

Access to QFR Data

This press release can be viewed today in portable document format (.pdf) at the QFR internet website <www.census.gov/econ/qfr/>. 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 <www.census.gov/econ/qfr/>, 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 ± 0.0 billion indicates a confidence interval with width of less than ± 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 (± 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

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data in an effort to minimize their influence. The quarterly publication, Quarterly Financial Report for Manufacturing, Mining, Trade and Selected Service Industries – Third Quarter 2018 (QFR/18-Q3), includes more detailed explanations of nonsampling and sampling error, and additional measures of sampling variability.

Explanations of confidence intervals and sampling variability can be found on our website at www.census.gov/econ/qfr/documents/QFR_Methodology.pdf.

Data Quality Indicators

The QFR produces two indicators of data quality: the Unit Response Rate and the Total Quantity Response Rate. 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 absolute value is applied to the real-valued data item Income before Income taxes, (|NIBT|), prior to calculating the weighted estimated total. The TQRR is calculated for the QFR data items Net sales, Depreciation, |NIBT|, and Total assets.

Total Quantity Response Rates and Unit Response Rates ^{1,2}					
Industry	Total Quantity Response Rate				Unit Response Rate
	Net Sales	Depreciation	NIBT	Total assets	
	(percent)				(percent)
All retail trade.....	78.4	76.2	81.8	79.7	54.2

Footnotes:

¹For more information, 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 www.census.gov/econ/qfr/collection.html.

²Imputation Rate = 100% - TQRR.

Source: U.S. Census Bureau, Quarterly Financial Report, December 4, 2018. Explanations of confidence intervals and sampling variability can be found on our website at www.census.gov/econ/qfr/documents/QFR_Methodology.pdf.

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U.S. Retail Trade Corporations Schedule of Release Dates for Calendar Year 2018	
Fourth Quarter 2017	March 19, 2018
First Quarter 2018	June 5, 2018
Second Quarter 2018	September 5, 2018
Third Quarter 2018	December 4, 2018

RESOURCES

API

The Census Bureau’s application programming interface lets developers create custom apps to reach new users and makes key demographic, socio-economic and housing statistics more accessible than ever before.

<www.census.gov/developers/>

FRED Mobile App



Receive the latest updates on the nation’s key economic indicators by downloading the FRED App <<https://fred.stlouisfed.org/fred-mobile/>> for both Apple and Android devices. FRED, the signature database of the Federal Reserve Bank of St. Louis, now incorporates the Census Bureau’s 13 economic indicators.

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Table 1. U.S. Retail Trade Corporations, Assets \$50 Million and Over – Not Seasonally Adjusted Income Statement^{1,2}

Item	3Q	2Q	3Q
	2018	2018 (r)	2017 (r)
	(million dollars)		
Net sales, receipts, and operating revenues	760,685	765,982	722,419
Less: Depreciation, depletion, and amortization	15,523	15,848	15,145
Less: All other operating costs and expenses	711,203	716,151	676,152
Income (or loss) from operations	33,959	33,983	31,123
Interest expense	6,340	6,419	5,671
Net nonoperating income (expense)	866	(142)	67
Income (or loss) before income taxes	28,485	27,422	25,519
Less: Provision for current and deferred domestic income taxes	6,113	6,919	8,449
Income (or loss) after income taxes	22,372	20,504	17,070
Cash dividends charged to retained earnings in current quarter	7,208	9,906	7,065
Net income retained in business	15,164	10,598	10,005
Retained earnings at beginning of quarter	473,995	469,241	435,460
Other direct credits (or charges) to retained earnings (net)	(5,654)	(7,290)	(6,141)
Retained earnings at end of quarter	483,505	472,549	439,324

Footnotes:

(r) Revised.

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

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

Data are not adjusted for seasonality or price changes.

Explanations of confidence intervals and sampling variability can be found on our website at <www.census.gov/econ/qfr/documents/QFR_Methodology.pdf>.

Source: U.S. Census Bureau, Quarterly Financial Report, December 4, 2018.

Table 2. U.S. Retail Trade Corporations, Assets \$50 Million and Over – Not Seasonally Adjusted Income Statement Ratios^{1,2}

Item	3Q	2Q	3Q
	2018	2018 (r)	2017 (r)
	(cents per dollar of sales)		
Net sales, receipts, and operating revenues	100.00	100.00	100.00
Less: Depreciation, depletion, and amortization	2.04	2.07	2.10
Less: All other operating costs and expenses	93.50	93.49	93.60
Income (or loss) from operations	4.46	4.44	4.31
Interest expense	0.83	0.84	0.78
Net nonoperating income (expense)	0.11	(0.02)	0.01
Income (or loss) before income taxes	3.74	3.58	3.53
Less: Provision for current and deferred domestic income taxes	0.80	0.90	1.17
Income (or loss) after income taxes	2.94	2.68	2.36

Footnotes:

(r) Revised.

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Source: U.S. Census Bureau, Quarterly Financial Report, December 4, 2018.

**Table 3. U.S. Retail Trade Corporations, Assets \$50 Million and Over –
Not Seasonally Adjusted Operating Ratios^{1, 2}**

Item	3Q	2Q	3Q
	2018	2018 (r)	2017 (r)
(percent)			
Annual rate of profit on stockholders' equity at end of period:			
Before income taxes	21.07	20.68	20.76
After income taxes	16.55	15.46	13.88
Annual rate of profit on total assets:			
Before income taxes	6.99	6.93	6.80
After income taxes	5.49	5.18	4.55

Footnotes:

(r) Revised.

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Source: U.S. Census Bureau, Quarterly Financial Report, December 4, 2018.

**Table 4. U.S. Retail Trade Corporations, Assets \$50 Million and Over –
Seasonally Adjusted Sales and Net Income After Tax^{1, 2}**

Industry group and year	Sales (r)				Net Income After Tax (r)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(million dollars)				(million dollars)			
All retail								
2007	509,749	514,832	516,371	520,737	15,270	18,459	14,504	13,929
2008	523,277	536,360	531,847	500,506	12,177	13,439	10,005	(7,030)
2009	496,049	495,113	509,009	519,039	8,440	13,940	13,275	20,525
2010	532,925	534,529	539,916	549,632	16,620	17,279	14,982	19,024
2011	568,796	584,844	585,907	584,958	17,018	18,387	17,205	16,487
2012	605,871	597,650	602,228	609,693	16,647	19,785	16,577	20,569
2013	622,395	626,409	634,648	640,200	17,348	21,800	18,775	22,752
2014	645,761	658,306	663,091	667,214	14,681	21,127	17,493	20,752
2015	658,239	672,581	681,514	680,439	23,122	22,101	19,528	23,284
2016	688,427	696,651	704,800	713,484	20,244	23,061	22,877	27,938
2017	715,561	721,156	733,163	747,117	18,899	22,313	18,279	29,102
2018	756,445	767,933	771,798		24,454	21,450	23,628	

Footnotes:

(r) Revised.

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

²For 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 <www.census.gov/econ/qfr/collection.html>.

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Source: U.S. Census Bureau, Quarterly Financial Report, December 4, 2018.