

## QUARTERLY FINANCIAL REPORT: LARGE U.S. RETAIL TRADE CORPORATIONS, SECOND QUARTER 2019

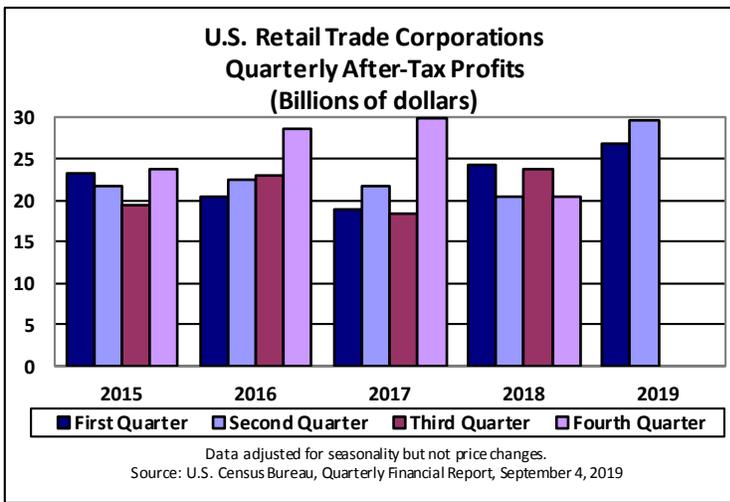
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### Announcement

Beginning with the data collected for the fourth quarter 2019 (released March 2020), the Quarterly Financial Report (QFR) will implement a new sampling methodology. Estimates for the prior four quarters (fourth quarter 2018 through third quarter 2019) will be restated using the new sampling methodology to provide comparability of the estimates across these quarters. For more information regarding the new methodology, contact the Financial Business Owners Surveys Statistical Methods Branch staff at 301-763-3310.

**September 4, 2019** — The U.S. Census Bureau announced the following seasonally adjusted quarterly after-tax profits for retail trade industries statistics for Second Quarter 2019:

U.S. RETAIL TRADE CORPORATIONS QUARTERLY AFTER-TAX PROFITS	
Second Quarter 2019	\$29.7 billion
First Quarter 2019 (Revised)	\$26.9 billion
Second Quarter 2018 (Revised)	\$20.4 billion
Next release: December 3, 2019	
Data adjusted for seasonality but not price changes. Source: U.S. Census Bureau, Quarterly Financial Report, September 4, 2019	



### After-Tax Profits and Sales, Second Quarter 2019 – Seasonally Adjusted

Seasonally adjusted after-tax profits of U.S. retail corporations with assets of \$50 million and over totaled \$29.7 billion, up \$2.7 ( $\pm 0.1$ ) billion from the \$26.9 billion recorded in the first quarter of 2019, and up \$9.3 ( $\pm 0.1$ ) billion from the \$20.4 billion recorded in the second quarter of 2018.

Seasonally adjusted sales for the quarter totaled \$794.3 billion, up \$18.1 ( $\pm 4.9$ ) billion from the \$776.2 billion recorded in the first quarter of 2019, and up \$27.1 ( $\pm 7.0$ ) billion from the \$767.3 billion recorded in the second quarter of 2018.

#### Data Inquiries

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## **After-Tax Profits and Sales, Second Quarter 2019 – Not Seasonally Adjusted**

Second quarter 2019 after-tax profits of U.S. retail corporations with assets of \$50 million and over totaled \$29.7 billion, up \$9.4 ( $\pm 0.1$ ) billion from the after-tax profits of \$20.4 billion recorded in the second quarter of 2018, and up \$3.7 ( $\pm 0.1$ ) billion from the after-tax profits of \$26.1 billion recorded in the first quarter of 2019.

Sales in the second quarter of 2019 were \$793.4 billion, up \$27.3 ( $\pm 7.0$ ) billion from the \$766.1 billion recorded in the second quarter of 2018, and up \$45.6 ( $\pm 4.9$ ) billion from the \$747.8 billion recorded in the first quarter of 2019.

The Third Quarter 2019 Quarterly Financial Report for Retail Trade Industries is scheduled for release on December 3, 2019. View the full schedule in the Economic Briefing Room:

[www.census.gov/economic-indicators/](http://www.census.gov/economic-indicators/). The full text and tables of this release can be found at [www.census.gov/econ/qfr/](http://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/](http://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/](http://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  $\pm 0.0$  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.

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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 – Second Quarter 2019 (QFR/19-Q2), 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](http://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.

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Total Quantity Response Rates and Unit Response Rates <sup>1,2</sup>					
Industry	Total Quantity Response Rate				Unit Response Rate
	Net Sales	Depreciation	NIBT	Total assets	
	(percent)				(percent)
All retail trade.....	80.0	78.4	81.6	80.0	56.9

**Footnotes:**

<sup>1</sup>For 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](http://www.census.gov/econ/qfr/collection.html)>.

<sup>2</sup>Imputation Rate = 100% - TQRR.

Source: U.S. Census Bureau, Quarterly Financial Report, September 4, 2019. Explanations of confidence intervals and sampling variability can be found on our website at <[www.census.gov/econ/qfr/documents/QFR\\_Methodology.pdf](http://www.census.gov/econ/qfr/documents/QFR_Methodology.pdf)>.

U.S. Retail Trade Corporations Schedule of Release Dates for Calendar Year 2019	
Fourth Quarter 2018	March 18, 2019
First Quarter 2019	June 5, 2019
Second Quarter 2019	September 4, 2019
Third Quarter 2019	December 3, 2019

**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/](http://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<sup>1, 2</sup>**

Item	2Q	1Q	2Q
	2019	2019 (r)	2018 (r)
	(million dollars)		
Net sales, receipts, and operating revenues .....	793,408	747,809	766,129
Less: Depreciation, depletion, and amortization .....	16,992	16,657	15,765
Less: All other operating costs and expenses .....	739,395	698,220	716,822
<b>Income (or loss) from operations .....</b>	<b>37,021</b>	<b>32,932</b>	<b>33,542</b>
Interest expense .....	6,755	6,820	6,338
Net nonoperating income (expense) .....	6,575	6,518	(149)
<b>Income (or loss) before income taxes .....</b>	<b>36,842</b>	<b>32,630</b>	<b>27,055</b>
Less: Provision for current and deferred domestic income taxes .....	7,106	6,546	6,685
<b>Income (or loss) after income taxes .....</b>	<b>29,735</b>	<b>26,084</b>	<b>20,370</b>
Cash dividends charged to retained earnings in current quarter .....	9,898	13,986	10,129
<b>Net income retained in business .....</b>	<b>19,837</b>	<b>12,098</b>	<b>10,241</b>
Retained earnings at beginning of quarter .....	452,933	452,805	462,103
Other direct credits (or charges) to retained earnings (net) .....	(5,844)	(9,513)	(7,394)
<b>Retained earnings at end of quarter .....</b>	<b>466,925</b>	<b>455,389</b>	<b>464,950</b>

Footnotes:

(r) Revised.

<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 <[www.census.gov/econ/qfr](http://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](http://www.census.gov/econ/qfr/documents/QFR_Methodology.pdf)>.

Source: U.S. Census Bureau, Quarterly Financial Report, September 4, 2019.

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

Item	2Q	1Q	2Q
	2019	2019 (r)	2018 (r)
	(cents per dollar of sales)		
Net sales, receipts, and operating revenues .....	100.00	100.00	100.00
Less: Depreciation, depletion, and amortization .....	2.14	2.23	2.06
Less: All other operating costs and expenses .....	93.19	93.37	93.56
<b>Income (or loss) from operations .....</b>	<b>4.67</b>	<b>4.40</b>	<b>4.38</b>
Interest expense .....	0.85	0.91	0.83
Net nonoperating income (expense) .....	0.83	0.87	(0.02)
<b>Income (or loss) before income taxes .....</b>	<b>4.64</b>	<b>4.36</b>	<b>3.53</b>
Less: Provision for current and deferred domestic income taxes .....	0.90	0.88	0.87
<b>Income (or loss) after income taxes .....</b>	<b>3.75</b>	<b>3.49</b>	<b>2.66</b>

Footnotes:

(r) Revised.

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Source: U.S. Census Bureau, Quarterly Financial Report, September 4, 2019.

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

Item	2Q	1Q	2Q
	2019	2019 (r)	2018 (r)
(percent)			
Annual rate of profit on stockholders' equity at end of period:			
Before income taxes .....	25.06	22.40	20.70
After income taxes .....	20.22	17.90	15.58
Annual rate of profit on total assets:			
Before income taxes .....	7.88	7.11	6.88
After income taxes .....	6.36	5.68	5.18

Footnotes:

(r) Revised.

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Source: U.S. Census Bureau, Quarterly Financial Report, September 4, 2019.

**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 (r)				Net Income After Tax (r)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(million dollars)				(million dollars)			
All retail								
2008 .....	523,288	536,372	531,829	500,493	12,213	13,426	9,995	(7,044)
2009 .....	496,075	495,115	508,986	519,027	8,474	13,928	13,272	20,507
2010 .....	532,975	534,515	539,883	549,626	16,648	17,267	14,987	19,007
2011 .....	568,868	584,813	585,862	584,952	17,039	18,376	17,207	16,485
2012 .....	605,979	597,600	602,166	609,682	16,660	19,763	16,575	20,598
2013 .....	622,556	626,334	634,555	640,183	17,357	21,744	18,768	22,842
2014 .....	646,027	658,150	662,942	667,200	14,690	20,988	17,487	20,953
2015 .....	658,692	672,304	681,267	680,359	23,139	21,796	19,540	23,657
2016 .....	689,261	696,185	704,426	713,289	20,263	22,534	22,933	28,492
2017 .....	716,881	720,523	732,605	746,273	18,925	21,553	18,379	29,819
2018 .....	757,293	767,276	770,185	779,673	24,296	20,372	23,754	20,314
2019 .....	776,215	794,334			26,929	29,664		

Footnotes:

(r) Revised.

<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 <[www.census.gov/econ/qfr/collection.html](http://www.census.gov/econ/qfr/collection.html)>.

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