

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

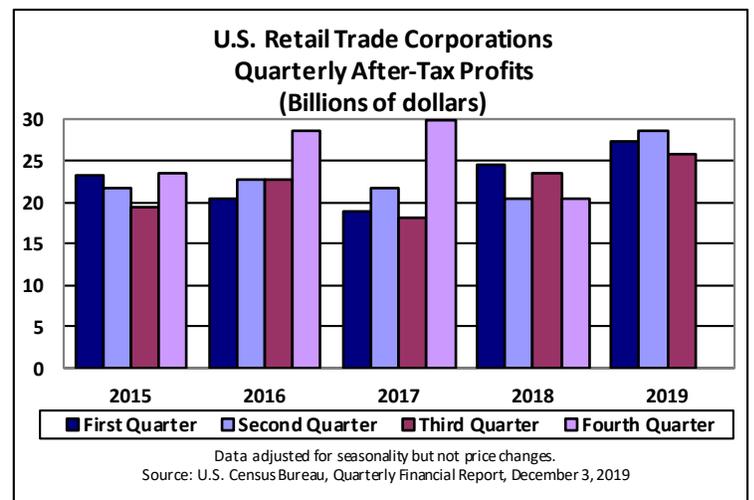
Release Number: CB19-184

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 Manufacturing Surveys Statistical Methods Branch staff at 301-763-7630.

December 3, 2019 — The U.S. Census Bureau announced the following seasonally adjusted quarterly after-tax profits for retail trade industries statistics for Third Quarter 2019:

U.S. RETAIL TRADE CORPORATIONS QUARTERLY AFTER-TAX PROFITS	
Third Quarter 2019	\$25.7 billion
Second Quarter 2019 (Revised)	\$28.5 billion
Third Quarter 2018 (Revised)	\$23.5 billion
Next release: March 23, 2020	
Data adjusted for seasonality but not price changes. Source: U.S. Census Bureau, Quarterly Financial Report, December 3, 2019	



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

Seasonally adjusted after-tax profits of U.S. retail corporations with assets of \$50 million and over totaled \$25.7 billion, down \$2.8 (± 0.2) billion from the \$28.5 billion recorded in the second quarter of 2019, but up \$2.2 (± 0.3) billion from the \$23.5 billion recorded in the third quarter of 2018.

Seasonally adjusted sales for the quarter totaled \$802.9 billion, up \$7.7 (± 3.3) billion from the \$795.2 billion recorded in the second quarter of 2019, and up \$32.2 (± 9.9) billion from the \$770.6 billion recorded in the third quarter of 2018.

Data Inquiries

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After-Tax Profits and Sales, Third Quarter 2019 – Not Seasonally Adjusted

Third quarter 2019 after-tax profits of U.S. retail corporations with assets of \$50 million and over totaled \$24.6 billion, up \$2.2 (± 0.3) billion from the after-tax profits of \$22.5 billion recorded in the third quarter of 2018, but down \$3.7 (± 0.2) billion from the after-tax profits of \$28.4 billion recorded in the second quarter of 2019.

Sales in the third quarter of 2019 were \$792.1 billion, up \$31.9 (± 9.9) billion from the \$760.2 billion recorded in the third quarter of 2018, but not statistically different from the \$794.1 billion recorded in the second quarter of 2019.

The Fourth Quarter 2019 Quarterly Financial Report for Retail Trade Industries is scheduled for release on March 23, 2020. 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.

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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 data in an effort to minimize their influence. The quarterly publication, Quarterly Financial Report for Manufacturing, Mining, Trade, and Selected Service Industries – Third Quarter 2019 (QFR/19-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.

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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.....	78.8	78.3	80.5	79.7	56.6

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 3, 2019. Explanations of confidence intervals and sampling variability can be found on our website at <www.census.gov/econ/qfr/documents/QFR_Methodology.pdf>.

U.S. Retail Trade Corporations Schedule of Release Dates for Calendar Year 2020	
Fourth Quarter 2019	March 23, 2020
First Quarter 2020	June 8, 2020
Second Quarter 2020	September 8, 2020
Third Quarter 2020	December 8, 2020

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
	2019	2019 (r)	2018 (r)
	(million dollars)		
Net sales, receipts, and operating revenues	792,125	794,075	760,238
Less: Depreciation, depletion, and amortization	17,426	16,968	15,460
Less: All other operating costs and expenses	738,495	739,590	710,471
Income (or loss) from operations	36,204	37,516	34,308
Interest expense	6,667	6,738	6,272
Net nonoperating income (expense)	995	4,730	121
Income (or loss) before income taxes	30,532	35,508	28,156
Less: Provision for current and deferred domestic income taxes	5,902	7,138	5,698
Income (or loss) after income taxes	24,630	28,370	22,458
Cash dividends charged to retained earnings in current quarter	8,276	9,324	7,145
Net income retained in business	16,354	19,046	15,313
Retained earnings at beginning of quarter	466,156	454,814	464,941
Other direct credits (or charges) to retained earnings (net)	(3,668)	(7,408)	(6,099)
Retained earnings at end of quarter	478,842	466,453	474,155

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 3, 2019.

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

Item	3Q	2Q	3Q
	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	2.20	2.14	2.03
Less: All other operating costs and expenses	93.23	93.14	93.45
Income (or loss) from operations	4.57	4.72	4.51
Interest expense	0.84	0.85	0.83
Net nonoperating income (expense)	0.13	0.60	0.02
Income (or loss) before income taxes	3.85	4.47	3.70
Less: Provision for current and deferred domestic income taxes	0.75	0.90	0.75
Income (or loss) after income taxes	3.11	3.57	2.95

Footnotes:

(r) Revised.

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Data are not adjusted for seasonality or price changes.

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Source: U.S. Census Bureau, Quarterly Financial Report, December 3, 2019.

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

Item	3Q	2Q	3Q
	2019	2019 (r)	2018 (r)
(percent)			
Annual rate of profit on stockholders' equity at end of period:			
Before income taxes	20.33	24.02	21.24
After income taxes	16.40	19.19	16.94
Annual rate of profit on total assets:			
Before income taxes	6.46	7.61	6.97
After income taxes	5.21	6.08	5.56

Footnotes:

(r) Revised.

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Source: U.S. Census Bureau, Quarterly Financial Report, December 3, 2019.

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								
2008	523,292	536,373	531,830	500,488	12,217	13,424	9,991	(7,042)
2009	496,079	495,116	508,985	519,022	8,479	13,926	13,264	20,508
2010	532,980	534,517	539,880	549,620	16,661	17,264	14,973	19,006
2011	568,877	584,814	585,857	584,946	17,061	18,372	17,191	16,475
2012	605,988	597,604	602,159	609,675	16,698	19,751	16,558	20,584
2013	622,563	626,342	634,547	640,180	17,406	21,725	18,750	22,824
2014	646,026	658,170	662,921	667,209	14,752	20,963	17,457	20,944
2015	658,674	672,337	681,253	680,351	23,209	21,774	19,492	23,646
2016	689,229	696,256	704,413	713,259	20,342	22,554	22,804	28,513
2017	716,827	720,620	732,627	746,209	19,010	21,628	18,158	29,867
2018	757,210	767,395	770,630	780,452	24,389	20,513	23,517	20,470
2019	777,283	795,153	802,861		27,284	28,487	25,667	

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>.

Data adjusted for seasonality but not price changes.

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Source: U.S. Census Bureau, Quarterly Financial Report, December 3, 2019.