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



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

Seasonally adjusted after-tax profits of U.S. retail corporations with assets of \$50 million and over totaled \$24.2 billion, up \$4.1 ( $\pm 0.1$ ) billion from the \$20.1 billion in the first quarter of 2016, and up \$2.3 ( $\pm 0.1$ ) billion from the \$21.9 billion recorded in the second quarter of 2015.

Seasonally adjusted sales for the quarter totaled \$697.3 billion, up \$11.4 ( $\pm 5.2$ ) billion from the \$685.9 billion in the first quarter of 2016, and up \$25.9 ( $\pm 4.9$ ) billion from the \$671.4 billion recorded in the second quarter of 2015.

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

Second quarter 2016 after-tax profits of U.S. retail corporations with assets of \$50 million and over totaled \$23.7 billion, up \$2.3 ( $\pm 0.1$ ) billion from the after-tax profits of \$21.4 billion recorded in the second quarter of 2015, and up \$4.3 ( $\pm 0.1$ ) billion from the after-tax profits of \$19.4 billion recorded in the first quarter of 2016.

Sales in the second quarter of 2016, were \$696.3 billion, up \$26.4 ( $\pm 4.9$ ) billion from the \$669.9 billion recorded in the second quarter of 2015, and up \$34.5 ( $\pm 5.2$ ) billion from the \$661.8 billion recorded in the first quarter of 2016.

**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
	2016	2016 <sup>3</sup>	2015 <sup>3</sup>
	(million dollars)		
Net sales, receipts, and operating revenues .....	696,308	661,815	669,908
Less: Depreciation, depletion, and amortization .....	14,210	14,016	13,171
Less: All other operating costs and expenses .....	646,675	616,521	622,939
<b>Income (or loss) from operations</b> .....	<b>35,423</b>	<b>31,279</b>	<b>33,798</b>
Interest expense .....	5,412	5,475	5,142
Net nonoperating income (expense) .....	4,149	3,506	3,379
<b>Income (or loss) before income taxes</b> .....	<b>34,161</b>	<b>29,310</b>	<b>32,035</b>
Less: Provision for current and deferred domestic income taxes .....	10,438	9,916	10,622
<b>Income (or loss) after income taxes</b> .....	<b>23,723</b>	<b>19,394</b>	<b>21,413</b>
Cash dividends charged to retained earnings in current quarter .....	7,410	14,752	6,108
<b>Net income retained in business</b> .....	<b>16,313</b>	<b>4,642</b>	<b>15,305</b>
Retained earnings at beginning of quarter .....	407,884	413,782	400,873
Other direct credits (or charges) to retained earnings (net) .....	(7,102)	(8,446)	(6,898)
<b>Retained earnings at end of quarter</b> .....	<b>417,094</b>	<b>409,978</b>	<b>409,280</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	2Q	1Q	2Q
	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 .....	2.04	2.12	1.97
Less: All other operating costs and expenses .....	92.87	93.16	92.99
<b>Income (or loss) from operations</b> .....	<b>5.09</b>	<b>4.73</b>	<b>5.05</b>
Interest expense .....	0.78	0.83	0.77
Net nonoperating income (expense) .....	0.60	0.53	0.50
<b>Income (or loss) before income taxes</b> .....	<b>4.91</b>	<b>4.43</b>	<b>4.78</b>
Less: Provision for current and deferred domestic income taxes .....	1.50	1.50	1.59
<b>Income (or loss) after income taxes</b> .....	<b>3.41</b>	<b>2.93</b>	<b>3.20</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	2Q	1Q	2Q
	2016	2016 <sup>3</sup>	2015 <sup>3</sup>
	(percent)		
Annual rate of profit on stockholders' equity at end of period:			
Before income taxes .....	28.53	24.73	25.91
After income taxes .....	19.81	16.36	17.32
Annual rate of profit on total assets:			
Before income taxes .....	9.80	8.48	9.51
After income taxes .....	6.80	5.61	6.36

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 .....	437,739	447,896	458,802	467,547	13,203	14,801	14,544	16,009
2006 .....	480,110	493,173	498,028	501,470	16,519	14,929	15,225	16,146
2007 .....	509,677	514,970	516,546	520,432	15,313	18,427	14,474	13,951
2008 .....	523,266	536,549	531,959	500,348	12,216	13,407	9,979	(7,009)
2009 .....	495,867	495,310	509,137	519,111	8,472	13,912	13,257	20,540
2010 .....	532,367	534,804	540,074	549,988	16,640	17,257	14,980	19,027
2011 .....	567,926	585,069	586,078	585,498	17,028	18,375	17,221	16,477
2012 .....	605,084	597,615	602,381	610,233	16,637	19,773	16,638	20,542
2013 .....	622,061	625,914	634,774	640,784	17,315	21,749	18,932	22,700
2014 .....	645,888	657,387	663,170	668,002	14,617	21,024	17,750	20,698
2015 .....	658,503	671,363	678,943	680,535	23,034	21,904	19,850	24,298
2016 .....	685,919	697,310			20,105	24,215		

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 – Second Quarter 2016* (QFR/16-Q2), 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 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: 60.0%; TQRR for Net sales: 84.2%; TQRR for Depreciation: 84.1%; TQRR for Income before income taxes: 87.1%; and TQRR for Total assets: 85.7%. 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