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## SECOND QUARTER 2007 DATA FROM THE QUARTERLY FINANCIAL REPORT U.S. MANUFACTURING, MINING, AND WHOLESALE TRADE CORPORATIONS

### After-Tax Profits and Sales, Second Quarter 2007 - Seasonally Adjusted

#### Manufacturing Corporations

In the second quarter of 2007, seasonally adjusted **after-tax profits** of U.S. manufacturing corporations totaled \$126.5 billion. Second quarter 2007 after-tax profits were up \$6.6 ( $\pm 0.6$ ) billion from the \$119.9 billion recorded in the first quarter of 2007, and up \$12.2 ( $\pm 0.9$ ) billion from the \$114.3 billion recorded in the second quarter of 2006.

Second quarter 2007 seasonally adjusted **sales** for these manufacturers totaled \$1,512.2 billion, up \$42.5 ( $\pm 4.9$ ) billion from the \$1,469.7 billion recorded in the first quarter of 2007, and up \$58.5 ( $\pm 15.4$ ) billion from the \$1,453.7 billion recorded in the second quarter of 2006.

After-tax profits per dollar of sales averaged 8.4 cents for the quarter, compared with 8.2 cents in the first quarter of 2007, and 7.9 cents in the second quarter of 2006.

#### **Nondurable Goods Manufacturers**

Nondurable goods manufacturers' seasonally adjusted **after-tax profits** in the second quarter of 2007 totaled \$72.6 billion, up \$3.8 ( $\pm 0.3$ ) billion from the \$68.8 billion recorded in the first quarter of 2007, and up \$1.8 ( $\pm 0.5$ ) billion from the \$70.8 billion recorded in the second quarter of 2006.

Seasonally adjusted **sales** for the quarter totaled \$758.3 billion, up \$38.5 ( $\pm 3.0$ ) billion from the \$719.8 billion recorded in the first quarter of 2007, and up \$33.5 ( $\pm 6.4$ ) billion from the \$724.8 billion recorded in the second quarter of 2006.

After-tax profits per dollar of sales averaged 9.6 cents for the quarter, compared with 9.6 cents in the first quarter of 2007, and 9.8 cents in the second quarter of 2006.

#### **Durable Goods Manufacturers**

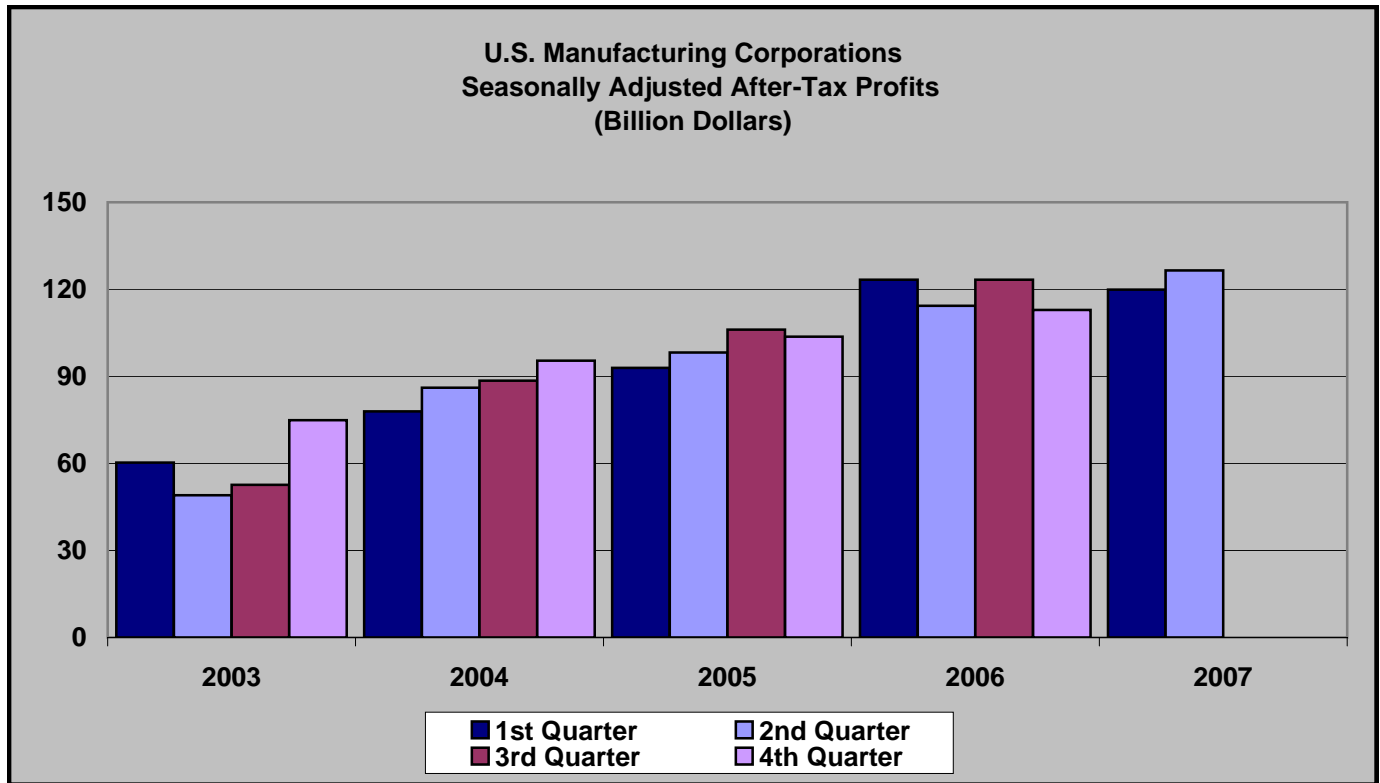
Second quarter 2007 seasonally adjusted **after-tax profits** for durable goods manufacturers totaled \$53.9 billion, up \$2.7 ( $\pm 0.4$ ) billion from the \$51.2 billion recorded in the first quarter of 2007, and up 10.4 ( $\pm 0.6$ ) billion from the \$43.5 billion recorded in the second quarter of 2006.

Seasonally adjusted **sales** for the quarter totaled \$753.9 billion, up \$4.0 ( $\pm 3.8$ ) billion, from the \$749.8 billion recorded in the first quarter of 2007, and up \$25.0 ( $\pm 9.9$ ) billion from the \$728.9 billion recorded in the second quarter of 2006.

After-tax profits per dollar of sales averaged 7.1 cents for the quarter, compared with 6.8 cents in the first quarter of 2007, and 6.0 cents in the second quarter of 2006.

## Manufacturing Corporations After-Tax Profits, 2003-2007 - Seasonally Adjusted

In every year since 2004, second quarter seasonally adjusted after-tax profits of U.S. manufacturing corporations have shown an increase over the same quarter in the previous year.



## After-Tax Profits and Sales, Second Quarter 2007 - Not Seasonally Adjusted

### Manufacturing Corporations

Second quarter 2007 unadjusted **after-tax profits** of U.S. manufacturing corporations totaled \$134.5 billion, up \$12.1 ( $\pm 0.9$ ) billion from the \$122.4 billion recorded in the second quarter of 2006. Compared with first quarter 2007 after-tax profits of \$116.2 billion, second quarter 2007 after-tax profits were up \$18.3 ( $\pm 0.6$ ) billion.

Manufacturers' unadjusted **sales** for the second quarter of 2007 totaled \$1,546.3 billion, up \$60.7 ( $\pm 15.4$ ) billion from the \$1,485.6 billion recorded in the second quarter of 2006, and up \$121.7 ( $\pm 4.9$ ) billion from first quarter 2007 sales of \$1,424.6 billion.

After-tax profits per dollar of sales averaged 8.7 cents in the second quarter of 2007, compared with 8.2 cents in the first quarter of 2007, and 8.2 cents in the second quarter of 2006.

### **Nondurable Goods Manufacturers**

Second quarter 2007 nondurable goods manufacturers' unadjusted **after-tax profits** totaled \$74.7 billion, up \$1.8 ( $\pm 0.5$ ) billion from the \$72.9 billion recorded in the second quarter of 2006. Within industry categories, results were mixed. Industries reporting increases included all other chemicals, up \$2.7 ( $\pm 0.4$ ) billion, food, up \$2.3 ( $\pm 0.1$ ) billion, and pharmaceuticals and medicines, up \$1.8 ( $\pm 0.1$ ) billion. Industries reporting decreases included petroleum and coal products, down \$2.5 ( $\pm 0.1$ ) billion, and paper, down \$1.8 ( $\pm 0.1$ ).

When compared to first quarter 2007 after-tax profits of \$68.3 billion, second quarter 2007 after-tax profits were up \$6.4 ( $\pm 0.3$ ) billion. Within industry categories, results were mostly up. Industries reporting increases included petroleum and coal products, up \$4.3 ( $\pm 0.1$ ) billion, food, up \$2.1 ( $\pm 0.1$ ) billion, and apparel and leather products, up \$1.2 ( $\pm 0.1$ ) billion. Industries reporting decreases included pharmaceuticals and medicines, down \$2.1 ( $\pm 0.1$ ) billion, and paper, down \$1.3 ( $\pm 0.1$ ) billion.

Unadjusted **sales** for the second quarter of 2007 totaled \$772.1 billion, up \$34.5 ( $\pm 6.4$ ) billion from the \$737.6 billion recorded in the second quarter of 2006, and up \$76.9 ( $\pm 3.0$ ) billion from first quarter 2007 sales of \$695.2 billion.

After-tax profits per dollar of sales averaged 9.7 cents in the second quarter of 2007, compared with 9.8 cents in the first quarter of 2007, and 9.9 cents in the second quarter of 2006.

### **Durable Goods Manufacturers**

Second quarter 2007 durable goods manufacturers' unadjusted **after-tax profits** totaled \$59.8 billion, up \$10.4 ( $\pm 0.6$ ) billion from the \$49.5 billion recorded in the second quarter of 2006. Within industry categories, results were mixed. Industries reporting increases included motor vehicles and parts, up \$5.4 ( $\pm 0.2$ ) billion, and aerospace products and parts, up \$2.0 ( $\pm 0.1$ ) billion. Industries reporting decreases included all other electronic products, down \$2.9 ( $\pm 0.1$ ) billion, and nonmetallic mineral products, down \$1.5 ( $\pm 0.1$ ) billion.

When compared to first quarter 2007 after-tax profits of \$48.0 billion, second quarter 2007 after-tax profits were up \$11.8 ( $\pm 0.4$ ) billion. Within the industry categories, results were mostly up. Industries reporting increases included motor vehicles and parts, up \$3.4 ( $\pm 0.1$ ) billion, machinery, up \$1.9 ( $\pm 0.3$ ) billion, and computer and peripheral equipment, up \$1.7 ( $\pm 0.1$ ) billion.

Unadjusted **sales** for the second quarter of 2007 totaled \$774.3 billion, up \$26.2 ( $\pm 9.9$ ) billion from the \$748.0 billion recorded in the second quarter of 2006, and up \$44.9 ( $\pm 3.8$ ) billion from the first quarter of 2007 sales of \$729.4 billion.

After-tax profits per dollar of sales averaged 7.7 cents in the second quarter of 2007, compared with 6.6 cents in the first quarter of 2007, and 6.6 cents in the second quarter of 2006.

### **Mining Corporations**

Second quarter 2007 unadjusted **after-tax profits** for mining corporations with assets of \$50 million and over, totaled \$11.4 billion, down \$4.6 ( $\pm 0.1$ ) billion from the \$16.0 billion recorded in the second quarter of 2006. Compared with first quarter 2007 after-tax profits of \$9.1 billion, second quarter 2007 after-tax profits were up \$2.2 ( $\pm 0.1$ ) billion.

Unadjusted **sales** for the second quarter of 2007 totaled \$48.3 billion, up \$4.1 ( $\pm 0.6$ ) billion from the \$44.2 billion recorded in the second quarter of 2006, and up \$4.1 ( $\pm 0.1$ ) billion from the first quarter of 2007 sales of \$44.2 billion.

After-tax profits per dollar of sales averaged 23.5 cents in the second quarter of 2007, compared with 20.7 cents in the first quarter of 2007, and 36.1 cents in the second quarter of 2006.

### **Wholesale Trade Corporations**

Second quarter 2007 unadjusted **after-tax profits** for wholesale trade corporations with assets of \$50 million and over, totaled \$10.3 billion, up \$1.2 ( $\pm 0.3$ ) billion from the \$9.2 billion recorded in the second quarter of 2006. Compared with first quarter 2007 after-tax profits of \$8.8 billion, second quarter 2007 after-tax profits were up \$1.6 ( $\pm 0.2$ ) billion.

Unadjusted **sales** for the second quarter of 2007 totaled \$452.7 billion, up \$26.1 ( $\pm 6.9$ ) billion from the \$426.5 billion recorded in the second quarter of 2006, and up \$25.8 ( $\pm 5.4$ ) billion from the first quarter of 2007 sales of \$426.9 billion.

After-tax profits per dollar of sales averaged 2.3 cents in the second quarter of 2007, compared with 2.1 cents in the first quarter of 2007, and 2.2 cents in the second quarter of 2006.

### ACCESS TO QFR DATA

This press release can be viewed today in portable document format (.pdf) at our QFR internet website <http://www.census.gov/econhelp/qfr>. Data in the release are drawn from a more comprehensive data set published in the *Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations - Second quarter 2007* (QFR-07-2). This quarterly publication is available for downloading at our QFR internet website under "Press Releases and Publications". The quarterly publication includes summary statements of income and retained earnings, balance sheets, and related financial and operating ratios for manufacturing, mining, and trade corporations. Data presented are classified by industry and asset size.

### SAMPLING

Data in this press release are based on quarterly financial reports from approximately 8,600 U.S. corporations. The data are estimated from a sample survey and therefore are subject to sampling variability as well as nonsampling variability such as response error, nonreporting, and coverage errors. Estimates of sampling variability are presented in this release. A statement such as "up \$2.5 ( $\pm 0.2$ ) billion," appearing in the text, indicates the range (+\$2.3 to +\$2.7 billion) in which the actual change is likely to have occurred. The range given for the change is a 90% confidence interval that accounts only for sampling variability. If the range had contained zero (0), it would have been uncertain whether there was an increase or decrease; that is, the change would not have been statistically significant. For any comparison cited without a confidence interval, the change is statistically significant at the 90% confidence level. The quarterly publication, *Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations - Second quarter 2007* (QFR-07-2), includes more detailed explanations of confidence intervals and sampling variability, along with additional measures of sampling variability.

**Beginning with the publication in the third quarter of 2006, the methodology for calculating the sample variance has changed. See the Survey Methodology section of the Introduction in the quarterly publication for information on this change in methodology.**

Schedule of Data Release Dates - 2007		
Reference Quarter	Manufacturing, Mining, and Wholesale Trade	Retail Trade
First 2007	June 11	July 11
Second 2007	September 10	October 09
Third 2007	December 10	

**Table 1. U.S. Manufacturing Corporations - Selected Financial Data**

Item	Seasonally adjusted			Unadjusted		
	2Q	1Q	2Q	2Q	1Q	2Q
	2007	2007 <sup>1</sup>	2006 <sup>1</sup>	2007	2007 <sup>1</sup>	2006 <sup>1</sup>
Rate of return (after taxes):						
Cents per dollar of sales .....	8.40	8.20	7.90	8.70	8.16	8.24
Percent on equity(annual rate) .....	N/A	N/A	N/A	18.67	16.60	18.31
	(million dollars)					
Sales .....	1,512,176	1,469,682	1,453,658	1,546,348	1,424,601	1,485,624
Income after income taxes .....	126,484	119,929	114,285	134,535	116,245	122,402
Dividends paid (cash) .....	N/A	N/A	N/A	47,004	39,013	42,183

<sup>1</sup>Revised.

**Table 2. U.S. Manufacturing Corporations - Seasonally Adjusted Sales and Net Income After-Tax<sup>1</sup>**

Industry group and year	Sales <sup>2</sup>				After-tax profits <sup>2</sup>			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(million dollars)				(million dollars)			
<b>All Manufacturing:</b>								
1996 .....	914,358	931,478	947,846	963,280	51,390	53,783	60,961	59,008
1997 .....	965,704	970,688	986,289	997,623	60,910	61,613	61,573	60,673
1998 .....	989,496	980,179	985,599	995,456	74,916	48,761	60,851	50,102
1999 .....	1,002,904	1,025,578	1,047,306	1,073,410	60,239	62,907	66,813	67,973
2000 .....	1,119,684	1,127,693	1,144,088	1,123,276	77,859	70,351	74,157	47,832
2001 .....	1,113,952	1,093,586	1,058,531	1,030,800	806	15,394	11,306	8,513
2002 .....	1,022,569	1,048,863	1,064,067	1,080,635	26,217	37,301	41,132	35,324
2003 .....	1,098,853	1,073,492	1,103,865	1,117,558	60,253	48,985	52,622	74,947
2004 .....	1,178,969	1,222,283	1,243,759	1,287,595	77,874	86,122	88,521	95,418
2005 .....	1,295,465	1,322,662	1,375,744	1,414,751	92,934	98,229	106,119	103,727
2006 .....	1,440,049	1,453,658	1,461,728	1,442,747	123,264	114,285	123,294	112,917
2007 .....	1,469,682	1,512,176			119,929	126,484		
<b>All Nondurable manufacturing:</b>								
1996 .....	442,227	451,467	457,291	464,739	27,988	28,202	32,032	30,736
1997 .....	463,093	455,134	460,880	465,650	33,289	30,579	30,446	28,995
1998 .....	452,048	444,776	443,260	441,379	29,654	28,390	30,821	17,856
1999 .....	445,662	451,961	460,534	476,765	26,423	28,679	31,466	30,946
2000 .....	506,871	514,392	526,899	505,791	37,575	38,224	37,283	29,302
2001 .....	507,212	505,875	488,180	473,437	31,867	33,607	27,184	19,605
2002 .....	462,192	478,466	496,439	518,450	27,092	28,346	30,849	32,334
2003 .....	539,005	513,883	531,079	529,777	44,067	33,352	29,485	41,980
2004 .....	569,840	593,154	600,615	632,459	41,514	46,364	51,090	52,653
2005 .....	635,916	647,560	685,885	709,580	55,936	56,913	62,853	64,519
2006 .....	718,727	724,757	722,419	705,017	68,567	70,793	73,727	64,820
2007 .....	719,839	758,300			68,765	72,614		
<b>All Durable manufacturing:</b>								
1996 .....	472,131	480,011	490,555	498,541	23,402	25,581	28,929	28,272
1997 .....	502,611	515,554	525,409	531,973	27,621	31,034	31,127	31,678
1998 .....	537,448	535,403	542,339	554,077	45,262	20,371	30,030	32,246
1999 .....	557,242	573,617	586,772	596,645	33,816	34,228	35,347	37,027
2000 .....	612,813	613,301	617,189	617,485	40,284	32,127	36,874	18,530
2001 .....	606,740	587,711	570,351	557,363	(31,061)	(18,213)	(15,878)	(11,092)
2002 .....	560,377	570,397	567,628	562,185	(875)	8,955	10,283	2,990
2003 .....	559,848	559,609	572,786	587,781	16,186	15,633	23,137	32,967
2004 .....	609,129	629,129	643,144	655,136	36,360	39,758	37,431	42,765
2005 .....	659,549	675,102	689,859	705,171	36,998	41,316	43,266	39,208
2006 .....	721,322	728,901	739,309	737,730	54,697	43,492	49,567	48,097
2007 .....	749,843	753,876			51,164	53,870		

<sup>1</sup>Data for the fourth quarter 2000 and after are presented on the North American Industry Classification System basis. Data prior to fourth quarter 2000 are presented on the Standard Industrial Classification system basis.

<sup>2</sup>Revised.

**Table 3. U.S. Manufacturing, Mining, and Trade Corporations – Not Seasonally Adjusted Sales and Profits**

Industry group	Sales			Operating profits <sup>1</sup>			After-tax profits		
	2Q	1Q	2Q	2Q	1Q	2Q	2Q	1Q	2Q
	2007	2007 <sup>2</sup>	2006 <sup>2</sup>	2007	2007 <sup>2</sup>	2006 <sup>2</sup>	2007	2007 <sup>2</sup>	2006 <sup>2</sup>
	(million dollars)								
All manufacturing <sup>3</sup> .....	1,546,348	1,424,601	1,485,624	120,008	98,323	109,864	134,535	116,245	122,402
All nondurable manufacturing .....	772,088	695,208	737,595	71,811	58,247	68,151	74,698	68,254	72,936
Food .....	139,378	123,233	115,062	8,888	6,688	6,117	7,858	5,776	5,607
Beverage and tobacco products .....	33,645	35,266	38,096	5,673	5,937	7,177	5,865	5,487	7,490
Textile mills and textile product mills .....	11,378	11,256	12,343	548	588	799	247	320	434
Apparel and leather products .....	20,732	20,219	19,719	2,160	2,022	1,899	2,881	1,639	1,260
Paper .....	36,636	35,650	36,311	931	1,055	2,392	(103)	1,179	1,671
Printing and related support activities .....	19,729	18,422	18,489	1,666	1,392	1,594	1,201	799	777
Petroleum and coal products .....	278,341	230,584	277,330	26,448	14,924	24,420	29,569	25,232	32,092
Chemicals .....	188,234	179,799	176,686	22,130	23,371	20,555	25,169	26,661	21,883
Basic chemicals, resins, and synthetics <sup>4</sup> .....	62,921	58,465	58,316	3,914	3,418	4,596	3,068	3,687	4,301
Pharmaceuticals and medicines <sup>4</sup> .....	73,315	73,549	70,697	11,516	13,389	10,429	14,519	16,576	12,728
All other chemicals <sup>4</sup> .....	51,998	47,786	47,673	6,700	6,564	5,530	7,582	6,397	4,855
Plastics and rubber products .....	44,016	40,779	43,560	3,367	2,271	3,197	2,011	1,161	1,724
All durable manufacturing .....	774,260	729,393	748,029	48,197	40,076	41,713	59,837	47,991	49,466
Wood products .....	19,639	17,551	21,013	1,146	884	1,765	683	412	1,220
Nonmetallic mineral products .....	32,652	27,919	35,290	3,290	1,470	4,550	2,011	579	3,529
Primary metals .....	65,220	61,423	61,666	6,445	5,752	6,555	4,697	4,627	5,463
Iron, steel, and ferroalloys <sup>4</sup> .....	30,730	29,381	28,642	3,080	2,832	3,395	2,387	2,163	2,799
Nonferrous metals <sup>4</sup> .....	27,744	25,493	25,726	2,637	2,222	2,435	1,795	1,979	2,167
Foundries <sup>4</sup> .....	6,745	6,550	7,297	728	698	726	515	485	497
Fabricated metal products .....	70,238	65,177	63,870	7,465	6,637	6,689	5,992	5,173	5,437
Machinery .....	98,059	88,594	91,699	9,734	7,682	9,060	8,653	6,775	8,178
Computer and electronic products .....	148,703	146,123	142,605	4,403	4,347	7,667	15,351	13,709	16,178
Computer and peripheral equipment <sup>4</sup> .....	46,003	44,593	45,001	684	1,104	1,628	7,221	5,475	5,633
Communications equipment <sup>4</sup> .....	29,775	28,825	28,500	13	(432)	870	2,856	2,428	2,371
All other electronic products <sup>4</sup> .....	72,925	72,705	69,104	3,706	3,674	5,169	5,274	5,805	8,173
Electrical equipment, appliances, and components .....	53,325	48,668	47,886	4,608	3,336	3,914	7,684	7,013	6,720
Transportation equipment .....	227,099	216,584	227,909	4,902	4,445	(1,092)	9,063	4,329	1,682
Motor vehicles and parts <sup>4</sup> .....	154,112	151,292	161,750	(3,097)	(2,215)	(6,593)	2,690	(754)	(2,694)
Aerospace products and parts <sup>4</sup> .....	58,205	51,586	52,137	6,030	5,137	3,719	4,851	4,032	2,851
Furniture and related products .....	20,506	19,781	22,202	1,817	1,228	2,190	1,206	858	1,389
Miscellaneous manufacturing .....	38,821	37,572	33,889	4,388	4,293	416	4,497	4,517	(330)
All mining <sup>3</sup> .....	48,285	44,215	44,218	12,963	10,976	13,121	11,368	9,146	15,958
All wholesale trade <sup>3</sup> .....	452,681	426,886	426,536	14,612	12,306	13,361	10,342	8,775	9,184
All retail trade <sup>3</sup> .....	352,886	493,608	486,976	15,749	23,065	23,008	10,312	14,787	13,967

<sup>1</sup>Operating profits are profits before nonoperating income and expense items and income taxes.

<sup>2</sup>Revised.

<sup>3</sup>Manufacturing data are the quarterly results of companies within that division with assets over \$250,000; whereas, data for mining and trade corporations represent the quarterly results of companies with assets over \$50 million.

<sup>4</sup>Included in major industry above.