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## U.S. Census Bureau Contact:

Demetria Hanna (301) 763-6600

John Seabold (301) 763-3386

e-mail: [csd.qfr@census.gov](mailto:csd.qfr@census.gov)

## FOURTH QUARTER 2008 DATA FROM THE QUARTERLY FINANCIAL REPORT U.S. MANUFACTURING, MINING, AND WHOLESALE TRADE CORPORATIONS

### After-Tax Profits and Sales, Fourth Quarter 2008 - Seasonally Adjusted

#### Manufacturing Corporations

U.S. manufacturing corporations' seasonally adjusted **after-tax losses** in the fourth quarter of 2008 totaled \$48.7 billion. This represents a decrease of \$170.0 ( $\pm 1.9$ ) billion from the **after-tax profits** of \$121.3 billion recorded in the third quarter of 2008, and a decrease of \$169.5 ( $\pm 0.7$ ) billion from the after-tax profits of \$120.8 billion recorded in the fourth quarter of 2007. These losses (\$48.7 billion) were the first seasonally-adjusted, after-tax quarterly losses recorded by U.S. manufacturing corporations since the first quarter of 2001, when losses totaled \$107 million. Table 2 (appended) shows that fourth quarter 2008 and first quarter 2001 are the only quarters in the present decade when U.S. manufacturing corporations recorded quarterly losses.

Seasonally adjusted **sales** for the quarter totaled \$1,493.4 billion, down \$188.9 ( $\pm 17.5$ ) billion from the \$1,682.3 billion recorded in the third quarter of 2008, and down \$92.6 ( $\pm 20.7$ ) billion from the \$1,586.0 billion recorded in the fourth quarter of 2007.

After-tax profits per dollar of sales averaged -3.3 cents for the quarter, compared with 7.2 cents for the third quarter of 2008, and 7.6 cents for the fourth quarter of 2007.

#### **Nondurable Goods Manufacturers**

Nondurable goods manufacturers' seasonally adjusted **after-tax losses** in the fourth quarter of 2008 totaled \$12 billion. This represents a decrease of \$83.2 ( $\pm 0.7$ ) billion from the **after-tax profits** of \$83.2 billion recorded in the third quarter of 2008, and a decrease of \$72.1 ( $\pm 0.3$ ) billion from the after-tax profits of \$72.1 billion recorded in the fourth quarter of 2007.

Seasonally adjusted **sales** for the quarter totaled \$717.7 billion, down \$193.6 ( $\pm 11.4$ ) billion from the \$911.2 billion recorded in the third quarter of 2008, and down \$101.3 ( $\pm 5.5$ ) billion from the \$819.0 billion recorded in the fourth quarter of 2007.

Fourth quarter 2008 after-tax profits per dollar of sales averaged 0.0 cents for the quarter, compared with 9.1 cents for the third quarter of 2008, and 8.8 cents for fourth quarter 2007.

#### **Durable Goods Manufacturers**

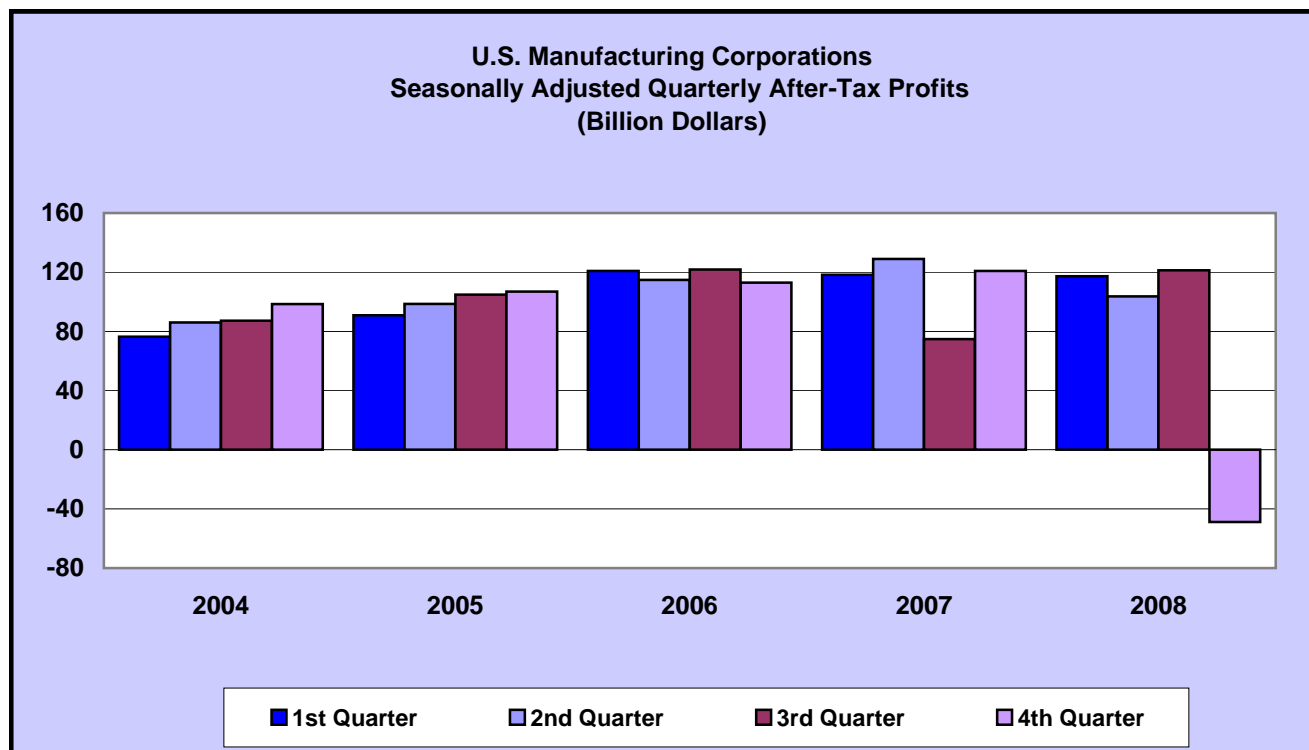
Durable goods manufacturers' seasonally adjusted **after-tax losses** in the fourth quarter of 2008 totaled \$48.7 billion. This represents a decrease of \$86.8 ( $\pm 2.3$ ) billion from the **after-tax profits** of \$38.1 billion recorded in the third quarter of 2008, and a decrease of \$97.4 ( $\pm 0.8$ ) billion from the after-tax profits of \$48.7 billion recorded in the fourth quarter of 2007.

Seasonally adjusted **sales** for the quarter totaled \$775.7 billion, not statistically different from the \$771.1 billion recorded in the third quarter of 2008, and not statistically different from the \$767.0 billion recorded in the fourth quarter of 2007.

After-tax profits per dollar of sales averaged -6.3 cents for the quarter, compared with 5.0 cents for the third quarter of 2008, and 6.4 cents for the fourth quarter of 2007.

### Manufacturing Corporations' Quarterly After-Tax Profits, 2004-2008—Seasonally Adjusted

In the fourth quarter of 2008, U.S. manufacturing corporations reported seasonally-adjusted, after-tax losses for the first time in any quarter during the 2004-2008 period.



### After-Tax Profits and Sales, Fourth Quarter 2008 - Not Seasonally Adjusted

#### Manufacturing Corporations

U.S. manufacturing corporations' unadjusted **after-tax losses** in the fourth quarter 2008 totaled \$60.2 billion. This represented a decrease of \$169.3 ( $\pm 0.7$ ) billion from the **after-tax profits** of \$109.2 billion recorded in the fourth quarter of 2007, and a decrease of \$186.4 ( $\pm 1.9$ ) billion from the after-tax profits of \$126.2 billion recorded in the third quarter of 2008.

Unadjusted **sales** for the fourth quarter of 2008 totaled \$1,496.1 billion, down \$92.2 ( $\pm 20.7$ ) billion from the \$1,588.3 billion recorded in the fourth quarter of 2007, and down \$198.2 ( $\pm 17.5$ ) billion from third quarter 2008 sales of \$1,694.4 billion.

After-tax profits per dollar of sales averaged -4.0 cents for the quarter, compared with 6.9 cents for the fourth quarter of 2007, and 7.5 cents for the third quarter of 2008.

#### **Nondurable Goods Manufacturers**

Nondurable goods manufacturers' unadjusted **after-tax losses** in the fourth quarter 2008 totaled \$5.0 billion. This represented a decrease of \$72.2 ( $\pm 0.3$ ) billion from the **after-tax profits** of \$67.1 billion recorded in the fourth quarter of 2007. Within industry categories, year over year results were down. Industries reporting decreases included petroleum and coal products, down \$45.2 ( $\pm 0.1$ ) billion; basic chemicals, resins, and synthetics products, down \$6.0 ( $\pm 0.1$ ) billion; food products, down \$5.8 ( $\pm 0.1$ ) billion; paper products, down \$4.3 ( $\pm 0.1$ ) billion; and beverage and tobacco products, down \$4.0 ( $\pm 0.1$ ) billion.

Compared with third quarter 2008 after-tax profits of \$87.2 billion, fourth quarter 2008 after-tax losses, at \$5.0 billion, decreased \$92.2 ( $\pm 0.7$ ) billion. Within industry categories quarter-over-quarter results were down. Industries reporting decreases included petroleum and coal products, down \$60.6 ( $\pm 0.2$ ) billion; pharmaceutical and medicine products, down \$8.5 ( $\pm 0.2$ ) billion; basic chemicals, resins, and synthetics products, down \$5.8 ( $\pm 0.2$ ) billion; food products, down \$4.5 ( $\pm 0.1$ ) billion; beverage and tobacco products, down \$3.6 ( $\pm 0.1$ ) billion; and paper products, down \$3.6 ( $\pm 0.2$ ) billion.

Unadjusted **sales** for the fourth quarter 2008 totaled \$715.5 billion, down \$100.9 ( $\pm 5.5$ ) billion from the \$816.5 billion recorded in the fourth quarter of 2007, and down \$207.2 ( $\pm 11.4$ ) billion from third quarter 2008 sales of \$922.8 billion.

After-tax profits per dollar of sales averaged -0.7 cents for the quarter, compared with 8.2 cents for the fourth quarter of 2007, and 9.5 cents for the third quarter of 2008.

### **Durable Goods Manufacturers**

Durable goods manufacturers' unadjusted **after-tax losses** in the fourth quarter 2008 totaled \$55.1 billion. This represented a decrease of \$97.2 ( $\pm 0.8$ ) billion from the **after-tax profits** of \$42.1 billion recorded in the fourth quarter of 2007. Within industry categories, year over year results were down. Industries reporting decreases included motor vehicles and parts, down \$29.0 ( $\pm 0.1$ ) billion; nonferrous metal products, down \$19.3 ( $\pm 0.1$ ) billion; all other electronic products, down \$15.3 ( $\pm 0.1$ ) billion; computer and peripheral equipment, down \$5.2 ( $\pm 0.1$ ) billion; communications equipment, down \$4.5 ( $\pm 0.1$ ) billion; aerospace products, down \$4.5 ( $\pm 0.1$ ) billion; electrical equipment, appliances, and components, down \$3.9 ( $\pm 0.1$ ) billion; and fabricated metal products, down \$3.7 ( $\pm 0.2$ ) billion.

Compared to third quarter 2008 after-tax profits of \$39.1 billion, fourth quarter 2008 after-tax losses, at \$55.1 billion, decreased \$94.2 ( $\pm 2.3$ ) billion. Within industry categories, quarter over quarter results were down. Industries reporting decreases included motor vehicles and parts products, down \$29.1 ( $\pm 0.2$ ) billion; nonferrous metal products, down \$18.6 ( $\pm 0.1$ ) billion; all other electronic products, down \$14.8 ( $\pm 0.5$ ) billion; fabricated metal products, down \$6.0 ( $\pm 0.4$ ) billion; iron, steel and ferroalloy products, down \$4.5 ( $\pm 0.3$ ) billion; aerospace products, down \$4.3 ( $\pm 0.2$ ) billion; and miscellaneous manufacturing products, down \$4.0 ( $\pm 2.5$ ) billion.

Unadjusted **sales** for the fourth quarter of 2008 at \$780.6 billion, were not statistically different from the \$771.8 billion recorded in the fourth quarter of 2007, and not statistically different from third quarter 2008 sales of \$771.6 billion.

After-tax profits per dollar of sales averaged -7.1 cents for the quarter, compared with 5.5 cents for the fourth quarter of 2007, and 5.1 cents for the third quarter of 2008.

### **Mining Corporations**

Mining corporations with assets of \$50 million and over, had unadjusted **after-tax losses** in the fourth quarter 2008 totaling \$16.6 billion. This represented a decrease of \$28.0 ( $\pm 0.2$ ) billion from the **after-tax profits** of \$11.4 billion recorded in the fourth quarter of 2007. Compared with third quarter 2008 after-tax profits of \$31.0 billion, fourth quarter 2008 after-tax losses, at \$16.6 billion, decreased \$47.6 ( $\pm 0.3$ ) billion.

Unadjusted **sales** for the fourth quarter of 2008 totaled \$55.1 billion, up \$1.2 ( $\pm 0.4$ ) billion from the \$53.9 billion recorded in the fourth quarter of 2007, but down \$12.8 ( $\pm 0.6$ ) billion from third quarter 2008 sales of \$67.9 billion.

After-tax profits per dollar of sales averaged -30.1 cents for the quarter, compared with 21.1 cents for the fourth quarter of 2007, and 45.7 cents for the third quarter of 2008.

### **Wholesale Trade Corporations**

Wholesale trade corporations with assets of \$50 million and over, had unadjusted **after-tax profits** in the fourth quarter 2008 totaling \$0.2 billion, down \$7.3 ( $\pm 0.1$ ) billion from the \$7.5 billion recorded in the fourth quarter of 2007. Compared with third quarter 2008 after-tax profits of \$8.9 billion, fourth quarter 2008 after-tax profits, at \$.2 billion, were down \$8.7 ( $\pm 0.3$ ) billion.

Unadjusted **sales** for the fourth quarter of 2008 totaled \$456.1 billion, down \$29.8 ( $\pm 4.1$ ) billion from the \$485.9 billion recorded in the fourth quarter of 2007, and down \$54.5 ( $\pm 8.1$ ) billion from third quarter 2008 sales of \$510.6 billion.

After-tax profits per dollar of sales averaged 0.1 cents for the quarter, compared with 1.5 cents for the fourth quarter of 2007, and 1.8 cents for the third quarter of 2008.

**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/csd/qfr/view/qfr\\_mg.pdf](http://www.census.gov/csd/qfr/view/qfr_mg.pdf). Data in the release are drawn from a more comprehensive data set published in the *Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations - Fourth quarter 2008* (QFR-08-4). This quarterly publication is available for downloading at our QFR internet website <http://www.census.gov/csd/qfr/pub.html>. 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.

**RELIABILITY OF THE ESTIMATES**

Data in this press release are based on quarterly financial reports from approximately 9,000 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. 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.

Statements of change appearing in this report include 90% confidence intervals based on estimates of sampling variability. A statement such as “up \$2.5 (± 0.2) billion,” appearing in the text, indicates the range (+\$2.3 billion to +\$2.7 billion) in which the actual change is likely to have occurred. If the range contained zero (0), then it is uncertain whether there is an increase or decrease; that is, the change is not statistically different from zero (0). 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 – Fourth quarter 2008* (QFR-08-04), includes more detailed explanations of confidence intervals and sampling variability, along with additional measures of sampling variability.

<b>Schedule of Release Dates</b>		
Reference Quarter	Manufacturing, Mining, and Wholesale Trade	Retail Trade
First Quarter 2009	June 15, 2009	June 22, 2009
Second Quarter 2009	September 14, 2009	September 21, 2009
Third Quarter 2009	December 14, 2009	December 21, 2009

**Table 1. U.S. Manufacturing Corporations - Selected Financial Data<sup>1</sup>**

Item	Seasonally adjusted			Unadjusted		
	4Q 2008	3Q 2008 <sup>2</sup>	4Q 2007 <sup>2</sup>	4Q 2008	3Q 2008 <sup>2</sup>	4Q 2007 <sup>2</sup>
Rate of return (after taxes):						
Cents per dollar of sales .....	(3.26)	7.21	7.62	(4.02)	7.45	6.87
Percent on equity (annual rate) .....	N/A	N/A	N/A	(8.67)	16.24	14.31
	(million dollars)					
Sales .....	1,493,352	1,682,258	1,585,980	1,496,140	1,694,380	1,588,312
Income after income taxes .....	(48,684)	121,288	120,833	(60,166)	126,247	109,183
Dividends paid (cash) .....	N/A	N/A	N/A	50,038	42,374	49,466

<sup>1</sup>Beginning with the 2007Q4 data release, updated RegARIMA models for seasonal adjustment were implemented to improve the identification of seasonal patterns in unadjusted net sales and net income after taxes for All Manufacturing, All Nondurable manufacturing, and All Durable manufacturing.

<sup>2</sup>Revised.

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

Industry group and year	Sales <sup>3</sup>				After-tax profits <sup>3</sup>			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(million dollars)				(million dollars)			
<b>All Manufacturing:</b>								
1997 .....	965,347	970,705	986,146	998,179	60,355	61,105	60,007	63,419
1998 .....	989,072	980,228	985,314	996,107	74,421	48,149	58,717	53,622
1999 .....	1,002,477	1,025,724	1,046,919	1,073,853	59,617	62,273	63,996	72,287
2000 .....	1,119,584	1,127,781	1,144,038	1,122,686	77,136	69,620	71,027	52,570
2001 .....	1,114,674	1,093,649	1,058,832	1,029,087	(107)	14,753	8,181	13,079
2002 .....	1,024,138	1,048,801	1,064,708	1,077,726	25,379	36,571	38,568	39,401
2003 .....	1,101,401	1,073,480	1,104,330	1,114,552	59,082	48,611	50,570	78,515
2004 .....	1,182,062	1,221,812	1,244,276	1,284,370	76,351	85,967	87,165	98,522
2005 .....	1,299,062	1,321,545	1,375,794	1,412,873	90,883	98,605	104,779	106,900
2006 .....	1,443,562	1,451,539	1,457,782	1,429,269	120,912	114,789	121,843	112,925
2007 .....	1,453,203	1,490,494	1,529,089	1,585,980	118,161	129,041	74,848	120,833
2008 .....	1,618,390	1,686,415	1,682,258	1,493,352	117,342	103,678	121,288	(48,684)
<b>All Nondurable manufacturing:</b>								
1997 .....	462,728	455,163	460,741	466,198	33,191	30,162	29,644	30,374
1998 .....	451,605	444,849	442,985	442,017	29,519	28,023	29,729	19,594
1999 .....	445,183	452,182	460,143	477,184	26,127	28,412	30,114	32,983
2000 .....	506,680	514,623	526,839	505,153	37,048	38,239	35,637	31,489
2001 .....	507,780	506,156	488,503	471,649	31,215	33,848	25,485	21,568
2002 .....	463,490	478,710	497,233	515,417	26,491	28,810	29,214	33,852
2003 .....	541,010	514,251	532,145	526,376	43,713	33,851	28,053	43,010
2004 .....	572,009	592,976	602,892	628,191	41,440	46,877	49,724	53,391
2005 .....	638,122	646,365	689,561	705,596	56,182	57,340	61,302	65,385
2006 .....	720,409	721,830	727,015	703,329	68,974	71,132	71,755	65,713
2007 .....	715,220	748,052	761,459	818,974	70,549	73,457	67,250	72,130
2008 .....	853,754	918,140	911,204	717,650	73,150	75,812	83,158	(12)
<b>All Durable manufacturing:</b>								
1997 .....	502,619	515,542	525,405	531,981	27,164	30,943	30,363	33,045
1998 .....	537,467	535,379	542,329	554,090	44,902	20,126	28,988	34,028
1999 .....	557,294	573,542	586,776	596,669	33,490	33,861	33,882	39,304
2000 .....	612,904	613,158	617,199	617,533	40,088	31,381	35,390	21,081
2001 .....	606,894	587,493	570,329	557,438	(31,322)	(19,095)	(17,304)	(8,489)
2002 .....	560,648	570,091	567,475	562,309	(1,112)	7,761	9,354	5,549
2003 .....	560,391	559,229	572,185	588,176	15,369	14,760	22,517	35,505
2004 .....	610,053	628,836	641,384	656,179	34,911	39,090	37,441	45,131
2005 .....	660,940	675,180	686,233	707,277	34,701	41,265	43,477	41,515
2006 .....	723,153	729,709	730,767	725,940	51,938	43,657	50,088	47,212
2007 .....	737,983	742,442	767,630	767,006	47,612	55,584	7,598	48,703
2008 .....	764,636	768,275	771,054	775,702	44,192	27,866	38,130	(48,672)

<sup>1</sup>The seasonally adjusted estimates provided in this table were derived using a combination of SIC-based and NAICS-based estimates.

<sup>2</sup>Beginning with the 2007Q4 data release, updated RegARIMA models for seasonal adjustment were implemented to improve the identification of seasonal patterns in unadjusted net sales and net income after taxes for All Manufacturing, All Nondurable manufacturing, and All Durable manufacturing.

<sup>3</sup>Revised.

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

Industry group	Sales			Operating profits <sup>1</sup>			After-tax profits		
	4Q	3Q	4Q	4Q	3Q	4Q	4Q	3Q	4Q
	2008	2008 <sup>2</sup>	2007 <sup>2</sup>	2008	2008 <sup>2</sup>	2007 <sup>2</sup>	2008	2008 <sup>2</sup>	2007 <sup>2</sup>
	(million dollars)								
All manufacturing <sup>3</sup> .....	1,496,140	1,694,380	1,588,312	47,011	114,021	87,325	(60,166)	126,247	109,183
All nondurable manufacturing .....	715,546	922,794	816,470	32,225	67,370	51,213	(5,035)	87,168	67,129
Food .....	150,702	151,030	144,861	8,152	10,045	9,661	4,718	9,199	10,519
Beverage and tobacco products .....	36,512	37,379	33,127	6,342	7,246	5,510	2,341	5,943	6,323
Textile mills and textile product mills .....	9,073	10,194	10,998	(359)	469	469	(583)	(1,257)	476
Apparel and leather products .....	21,883	23,121	22,241	648	1,874	2,015	(211)	1,549	1,358
Paper .....	31,634	34,568	35,047	1,158	2,046	1,535	(2,137)	1,433	2,150
Printing and related support activities .....	18,204	18,959	20,270	(127)	1,030	960	(1,188)	435	136
Petroleum and coal products .....	228,175	401,501	315,831	7,798	20,823	7,025	(19,483)	41,131	25,683
Chemicals .....	180,647	202,970	192,946	7,622	22,282	21,895	12,192	28,321	19,247
Basic chemicals, resins, and synthetics <sup>4</sup> .....	53,891	70,259	63,192	(3,094)	1,175	1,630	(3,952)	1,843	2,027
Pharmaceuticals and medicines <sup>4</sup> .....	77,270	75,839	78,188	6,457	13,824	14,469	9,924	18,473	9,923
All other chemicals <sup>4</sup> .....	49,486	56,872	51,566	4,260	7,283	5,797	6,219	8,005	7,297
Plastics and rubber products .....	38,716	43,072	41,150	991	1,556	2,142	(685)	413	1,237
All durable manufacturing .....	780,593	771,586	771,842	14,786	46,652	36,112	(55,131)	39,080	42,054
Wood products .....	15,896	19,689	17,137	(855)	749	420	(1,812)	514	(29)
Nonmetallic mineral products .....	26,075	32,410	29,892	(122)	2,456	1,564	(1,375)	1,586	964
Primary metals .....	56,306	78,820	63,882	(465)	8,109	5,060	(17,121)	6,065	4,397
Iron, steel, and ferroalloys <sup>4</sup> .....	30,582	45,779	33,016	121	5,281	2,476	(795)	3,735	1,562
Nonferrous metals <sup>4</sup> .....	20,180	26,826	25,030	(1,222)	2,081	1,972	(16,790)	1,848	2,489
Foundries <sup>4</sup> .....	5,544	6,215	5,837	636	747	611	464	482	346
Fabricated metal products .....	69,739	75,407	69,107	2,010	7,097	4,833	186	6,143	3,920
Machinery .....	172,995	102,819	93,423	9,460	8,843	6,922	6,904	6,624	8,089
Computer and electronic products .....	142,990	148,279	150,606	3,703	4,094	3,518	(15,178)	3,326	9,761
Computer and peripheral equipment <sup>4</sup> .....	40,809	40,762	41,965	1,888	(136)	886	883	2,684	6,061
Communications equipment <sup>4</sup> .....	33,721	34,034	35,758	341	(619)	150	(4,111)	(2,169)	390
All other electronic products <sup>4</sup> .....	68,460	73,483	72,882	1,474	4,849	2,483	(11,950)	2,811	3,310
Electrical equipment, appliances, and components .....	52,076	52,952	55,223	3,413	4,675	4,652	4,611	5,805	8,489
Transportation equipment .....	184,816	196,884	230,099	(6,529)	3,530	3,998	(31,751)	2,072	2,142
Motor vehicles and parts <sup>4</sup> .....	112,984	119,039	148,494	(12,172)	(3,916)	(3,489)	(32,809)	(3,756)	(3,766)
Aerospace products and parts <sup>4</sup> .....	58,360	60,762	62,390	4,673	5,863	6,076	416	4,676	4,905
Furniture and related products .....	16,933	19,761	18,609	483	1,596	808	(1,251)	1,325	66
Miscellaneous manufacturing .....	42,767	44,565	43,863	3,687	5,502	4,338	1,657	5,619	4,255
All mining <sup>3</sup> .....	55,100	67,854	53,922	7,747	21,361	13,497	(16,571)	31,009	11,384
All wholesale trade <sup>3</sup> .....	456,062	510,559	485,904	6,078	13,993	11,691	225	8,946	7,492

<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 total assets of \$250 thousand and over at the time of sample selection; whereas, data for mining and wholesale trade corporations represent the quarterly results of companies with total assets of \$50 million and over at the time of sample selection.

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