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## THIRD QUARTER 2008 DATA FROM THE QUARTERLY FINANCIAL REPORT LARGE U.S. RETAIL TRADE CORPORATIONS

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

In the third quarter of 2008, **after-tax profits** of U.S. retail corporations with assets of \$50 million and over totaled \$8.3 billion, down \$4.1 ( $\pm 0.3$ ) billion, or 33.2 percent ( $\pm 1.5\%$ ), from the \$12.4 billion recorded in second quarter 2008, and down \$4.5 ( $\pm 0.1$ ) billion, or 35.1 percent ( $\pm 0.3\%$ ), from the \$12.7 billion recorded in the third quarter of 2007.

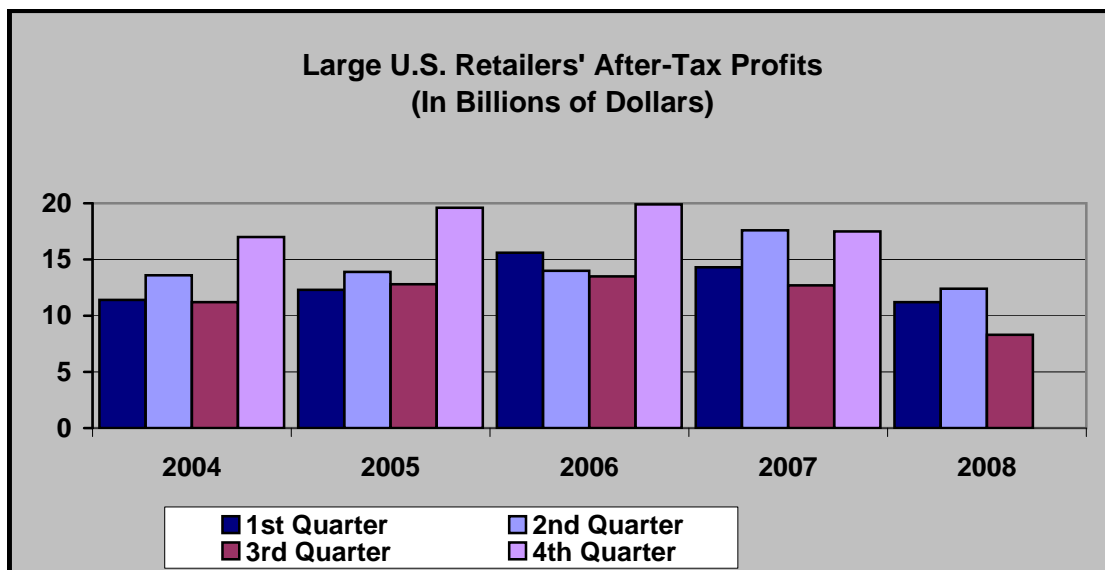
**Sales** in the third quarter of 2008, at \$517.4 billion, were down \$14.5 ( $\pm 2.2$ ) billion, or 2.7 percent ( $\pm 0.4\%$ ), from the \$531.8 billion recorded in the second quarter of 2008, but up \$14.4 ( $\pm 6.6$ ) billion, or 2.9 percent ( $\pm 1.3\%$ ), from the \$502.9 billion recorded in the third quarter of 2007.

After-tax profits for these corporations averaged 1.6 cents per dollar of sales for the third quarter of 2008, down 0.7 ( $\pm 0.1$ ) cents from the 2.3 cents recorded in the second quarter of 2008, and down 0.9 ( $\pm 0.1$ ) cents from the 2.5 cents recorded in the third quarter of 2007.

The annual rate of after-tax profits on stockholders' equity in the third quarter of 2008 was 8.1 percent, down 4.1 percent ( $\pm 0.3\%$ ) from the 12.2 percent recorded in the second quarter of 2008, and down 4.7 percent ( $\pm 0.1\%$ ) from the 12.8 percent recorded in the third quarter of 2007.

### Retail Trade Corporations After-Tax Profits, 2004-2008 – Not Seasonally Adjusted

Third quarter 2008 after-tax profits of U.S. retail trade corporations (not seasonally adjusted) were down from second quarter 2008, and were the lowest of any third quarter during the 2004 - 2008 period.



### 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\\_rt.pdf](http://www.census.gov/csd/qfr/view/qfr_rt.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-Q4). This quarterly publication will be available for downloading at our QFR internet website <http://www.census.gov/csd/qfr/pub.html> on March 30, 2009. 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 610 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 ( $\pm$  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-Q4), 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
Fourth Quarter 2008	March 30, 2009	March 30, 2009
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. Retail Trade Corporations, Assets \$50 Million and Over - Income Statement<sup>1</sup>**

Item	3Q 2008	2Q 2008 <sup>2</sup>	3Q 2007 <sup>2</sup>
	(million dollars)		
Net sales, receipts, and operating revenues .....	517,357	531,816	502,914
Less: Depreciation, depletion, and amortization .....	10,281	10,085	9,770
Less: All other operating costs and expenses .....	488,855	499,191	473,040
<b>Income (or loss) from operations</b> .....	18,220	22,540	20,104
Interest expense .....	4,216	4,239	4,455
Net nonoperating income (expense) .....	(419)	1,202	3,306
<b>Income (or loss) before income taxes</b> .....	13,586	19,502	18,955
Less: Provision for current and deferred domestic income taxes .....	5,325	7,144	6,219
<b>Income (or loss) after income taxes</b> .....	8,261	12,358	12,736
Cash dividends charged to retained earnings in current quarter .....	2,881	2,956	2,216
<b>Net income retained in business</b> .....	5,380	9,402	10,521
Retained earnings at beginning of quarter .....	285,114	281,932	295,579
Other direct credits (or charges) to retained earnings (net) .....	(1,919)	(5,569)	(8,636)
<b>Retained earnings at end of quarter</b> .....	288,575	285,766	297,463

<sup>1</sup>Retail Trade data are the quarterly results of companies within that division with total assets of \$50 million and over at the time of sample selection.

<sup>2</sup>Revised.

**Table 2. U.S. Retail Trade Corporations, Assets \$50 Million and Over - Income Statement Ratios<sup>1</sup>**

Item	3Q 2008	2Q 2008 <sup>2</sup>	3Q 2007 <sup>2</sup>
	(cents per dollar of sales)		
Net sales, receipts, and operating revenues .....	100.00	100.00	100.00
Less: Depreciation, depletion, and amortization .....	1.99	1.90	1.94
Less: All other operating costs and expenses .....	94.49	93.87	94.06
<b>Income (or loss) from operations</b> .....	3.52	4.24	4.00
Interest expense .....	0.81	0.80	0.89
Net nonoperating income (expense) .....	(0.08)	0.23	0.66
<b>Income (or loss) before income taxes</b> .....	2.63	3.67	3.77
Less: Provision for current and deferred domestic income taxes .....	1.03	1.34	1.24
<b>Income (or loss) after income taxes</b> .....	1.60	2.32	2.53

<sup>1</sup>Retail Trade data are the quarterly results of companies within that division with total assets of \$50 million and over at the time of sample selection.

<sup>2</sup>Revised.

**Table 3. U.S. Retail Trade Corporations, Assets \$50 Million and Over - Operating Ratios<sup>1</sup>**

Item	3Q 2008	2Q 2008 <sup>2</sup>	3Q 2007 <sup>2</sup>
	(percent)		
Annual rate of profit on stockholders' equity at end of period:			
<b>Before income taxes</b> .....	13.34	19.29	18.99
<b>After income taxes</b> .....	8.11	12.22	12.76
Annual rate of profit on total assets:			
<b>Before income taxes</b> .....	5.33	7.80	7.66
<b>After income taxes</b> .....	3.24	4.95	5.14

<sup>1</sup>Retail Trade data are the quarterly results of companies within that division with total assets of \$50 million and over at the time of sample selection.

<sup>2</sup>Revised.