

# U.S. Census Bureau News

U.S. Department of Commerce • Washington, D.C. 20233

FOR RELEASE MONDAY, DECEMBER 13, 2010 AT 10 A.M. EST

CB10-188

## 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)

## THIRD QUARTER 2010 DATA FROM THE QUARTERLY FINANCIAL REPORT: U.S. MANUFACTURING, MINING, AND WHOLESALE TRADE CORPORATIONS

### After-Tax Profits and Sales, Third Quarter 2010 - Seasonally Adjusted

#### Manufacturing Corporations

U.S. manufacturing corporations' seasonally adjusted **after-tax profits** in the third quarter of 2010 totaled \$122.7 billion, up \$5.0 ( $\pm 0.8$ ) billion from the after-tax profits of \$117.7 billion recorded in the second quarter of 2010, and up \$28.2 ( $\pm 1.4$ ) billion from the after-tax profits of \$94.5 billion recorded in the third quarter of 2009.

Seasonally adjusted **sales** for the quarter totaled \$1,443.5 billion, up \$9.7 ( $\pm 3.7$ ) billion from the \$1,433.8 billion recorded in the second quarter of 2010, and up \$156.1 ( $\pm 16.1$ ) billion from the \$1,287.4 billion recorded in the third quarter of 2009.

After-tax profits per dollar of sales averaged 8.5 cents for the quarter, compared with 8.2 cents for the second quarter of 2010, and 7.3 cents for the third quarter of 2009.

#### **Nondurable Goods Manufacturers**

Nondurable goods manufacturers' seasonally adjusted **after-tax profits** in the third quarter of 2010 totaled \$61.1 billion, up \$1.4 ( $\pm 0.3$ ) billion from the after-tax profits of \$59.7 billion recorded in the second quarter of 2010, but down \$0.5 ( $\pm 0.5$ ) billion from the after-tax profits of \$61.6 billion recorded in the third quarter of 2009.

Seasonally adjusted **sales** for the quarter totaled \$757.6 billion, up \$5.2 ( $\pm 4.1$ ) billion from the \$752.4 billion recorded in the second quarter of 2010, and up \$72.1 ( $\pm 7.4$ ) billion from the \$685.6 billion recorded in the third quarter of 2009.

After-tax profits per dollar of sales averaged 8.1 cents for the quarter, compared with 7.9 cents for the second quarter of 2010, and 9.0 cents for the third quarter of 2009.

#### **Durable Goods Manufacturers**

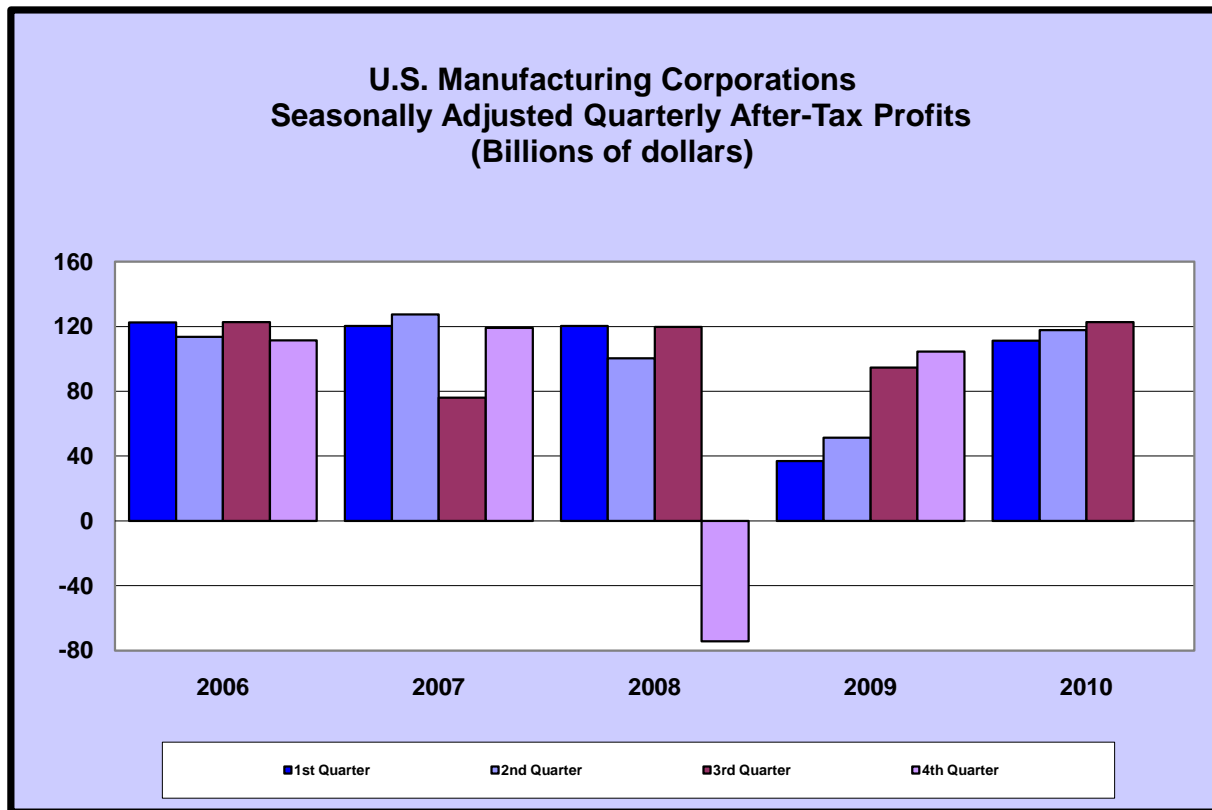
Durable goods manufacturers' seasonally adjusted **after-tax profits** in the third quarter of 2010 totaled \$61.6 billion, up \$3.7 ( $\pm 0.7$ ) billion from the after-tax profits of \$57.9 billion recorded in the second quarter of 2010, and up \$28.7 ( $\pm 1.3$ ) billion from the after-tax profits of \$32.9 billion recorded in the third quarter of 2009.

Seasonally adjusted **sales** for the quarter totaled \$685.9 billion, up \$4.5 ( $\pm 3.3$ ) billion from the \$681.4 billion recorded in the second quarter of 2010, and up \$84.0 ( $\pm 9.8$ ) billion from the \$601.8 billion recorded in the third quarter of 2009.

After-tax profits per dollar of sales averaged 9.0 cents for the quarter, compared with 8.5 cents for the second quarter of 2010, and 5.5 cents for the third quarter of 2009.

## Manufacturing Corporations' Quarterly After-Tax Profits, 2006-2010—Seasonally Adjusted

Third quarter seasonally-adjusted after-tax profits of U.S. manufacturing corporations, up \$5.0 billion compared to second quarter 2010, and up \$28.2 billion compared to the same quarter a year ago, represent a continuation of the steady recovery in manufacturers' profits.



## After-Tax Profits and Sales, Third Quarter 2010 - Not Seasonally Adjusted

### Manufacturing Corporations

U.S. manufacturing corporations' third quarter 2010 unadjusted **after-tax profits** totaled \$126.1 billion, up \$28.0 ( $\pm 1.4$ ) billion from the after-tax profits of \$98.1 billion recorded in the third quarter of 2009, but not statistically different from the after-tax profits of \$126.2 billion recorded in the second quarter of 2010.

Unadjusted **sales** for the third quarter of 2010 totaled \$1,465.2 billion, up \$159.3 ( $\pm 16.1$ ) billion from the \$1,305.9 billion recorded in the third quarter of 2009, and up \$7.3 ( $\pm 3.7$ ) billion from the second quarter 2010 sales of \$1,457.9 billion.

After-tax profits per dollar of sales averaged 8.6 cents for the quarter, compared with 7.5 cents for the third quarter of 2009, and 8.7 cents for the second quarter of 2010.

### **Nondurable Goods Manufacturers**

Nondurable goods manufacturers' third quarter 2010 unadjusted **after-tax profits** totaled \$64.9 billion, down \$0.6 ( $\pm 0.5$ ) billion from the after-tax profits of \$65.5 billion recorded in the third quarter of 2009. Within industry categories, year-over-year results were mixed. Industries reporting the largest decreases included pharmaceuticals and medicines, down \$8.6 ( $\pm 0.1$ ) billion, and food, down \$0.8 ( $\pm 0.1$ ) billion. Industries reporting the largest increases included petroleum and coal products, up \$3.8 ( $\pm 0.2$ ) billion, and beverage and tobacco products, up \$2.3 ( $\pm 0.2$ ) billion.

Compared with second quarter 2010 after-tax profits of \$60.4 billion, third quarter 2010 after-tax profits, at \$64.9 billion, were up \$4.5 ( $\pm 0.3$ ) billion. Within industry categories, quarter-over-quarter results were mixed. Industries reporting the largest increases included petroleum and coal products, up \$15.4 ( $\pm 0.1$ ) billion; food, up \$0.6 ( $\pm 0.1$ ) billion; all other chemicals, up \$0.6 ( $\pm 0.1$ ) billion; and beverage and tobacco products, up \$0.4 ( $\pm 0.1$ ) billion. Industries reporting the largest decreases included basic chemicals, resins, and synthetics, down \$10.1 ( $\pm 0.1$ ) billion, and pharmaceuticals and medicines, down \$1.9 ( $\pm 0.1$ ) billion.

Unadjusted **sales** for the third quarter of 2010 totaled \$765.3 billion, up \$72.6 ( $\pm 7.4$ ) billion from the \$692.6 billion recorded in the third quarter of 2009, but not statistically different from second quarter 2010 sales of \$768.5 billion.

After-tax profits per dollar of sales averaged 8.5 cents for the quarter, compared with 9.5 cents for the third quarter of 2009, and 7.9 cents for the second quarter of 2010.

### **Durable Goods Manufacturers**

Durable goods manufacturers' third quarter 2010 unadjusted **after-tax profits** totaled \$61.3 billion, up \$28.7 ( $\pm 1.3$ ) billion from the after-tax profits of \$32.6 billion recorded in the third quarter of 2009. Most durable goods industries reported increases for the quarter. Industries reporting the largest increases included motor vehicles and parts, up \$9.5 ( $\pm 0.2$ ) billion; all other electronic products, up \$6.8 ( $\pm 0.9$ ) billion; and computer and peripheral equipment, up \$2.4 ( $\pm 0.1$ ) billion. One industry reported a decrease, furniture and related products, down \$0.2 ( $\pm 0.1$ ) billion.

Compared to second quarter 2010 after-tax profits of \$65.8 billion, third quarter 2010 after-tax profits at \$61.3 billion, were down \$4.6 ( $\pm 0.7$ ) billion. Within industry categories, quarter-over-quarter results were mixed. Industries reporting the largest decreases included nonferrous metals, down \$2.6 ( $\pm 0.1$ ) billion; motor vehicles and parts, down \$2.3 ( $\pm 0.1$ ) billion; electrical equipment, appliances, and components, down \$1.4 ( $\pm 0.2$ ) billion; and machinery, down \$1.1 ( $\pm 0.1$ ) billion. Industries reporting the largest increases included; all other electronic products, up \$2.9 ( $\pm 0.7$ ) billion; and wood products, up \$0.7 ( $\pm 0.1$ ) billion.

Unadjusted **sales** for the third quarter of 2010 totaled \$699.9 billion, up \$86.7 ( $\pm 9.8$ ) billion from the \$613.2 billion recorded in the third quarter of 2009, and up \$10.5 ( $\pm 3.3$ ) billion from second quarter 2010 sales of \$689.4 billion.

After-tax profits per dollar of sales averaged 8.8 cents for the quarter, compared with 5.3 cents for the third quarter of 2009, and 9.6 cents for the second quarter of 2010.

### **Mining Corporations**

Third quarter 2010 unadjusted **after-tax profits** for mining corporations with assets of \$50 million and over totaled \$11.6 billion, up \$7.1 ( $\pm 0.1$ ) billion from the after-tax profits of \$4.5 billion recorded in the third quarter of 2009, and up \$2.6 ( $\pm 0.1$ ) billion compared with second quarter 2010 after-tax profits of \$9.0 billion.

Unadjusted **sales** for the third quarter of 2010 totaled \$52.2 billion, up \$6.6 ( $\pm 0.5$ ) billion from the \$45.6 billion recorded in the third quarter of 2009, and up \$2.8 ( $\pm 0.3$ ) billion from second quarter 2010 sales of \$49.4 billion.

After-tax profits per dollar of sales averaged 22.2 cents for the quarter, compared with 9.8 cents for the third quarter of 2009, and 18.3 cents for the second quarter of 2010.

### **Wholesale Trade Corporations**

Third quarter 2010 unadjusted **after-tax profits** for wholesale trade corporations with assets of \$50 million and over totaled \$7.4 billion, up \$2.7 ( $\pm 0.4$ ) billion from the after-tax profits of \$4.6 billion recorded in the third quarter of 2009, but not statistically different from second quarter 2010 after-tax profits of \$7.3 billion.

Unadjusted **sales** for the third quarter of 2010 totaled \$466.6 billion, up \$41.0 ( $\pm 15.2$ ) billion from third quarter 2009 sales of \$425.6, and up \$8.1 ( $\pm 4.4$ ) billion from second quarter 2010 sales of \$458.5 billion.

After-tax profits per dollar of sales averaged 1.6 cents for the quarter, compared with 1.1 cents for the third quarter of 2009, but not statistically different from second quarter of 2010.

### **SPECIAL NOTICES**

Beginning with data collected for fourth quarter 2010 (released in March 2011) the Quarterly Financial Report (QFR) will implement a new methodology to account for nonrespondent companies. The new methodology will, on average, produce more accurate data estimates and better reflect current financial standing than the existing methodology. Estimates for the prior four quarters (fourth quarter 2009 through third quarter 2010) will be restated using this new imputation methodology to provide comparability of the data across these quarters. For more information on the new methodology, call the Statistical Research and Methods staff on 1-301-763-3310.

Beginning with the fourth quarter 2009, corporations within selected service industries were mailed questionnaires and included in the QFR survey. The 2007 North American Industry Classification System (NAICS) industries included were all 3-digit subsectors in Sector 51 (Information); and all 4-digit industry groups in Sector 54 (Professional, Scientific, and Technical Services), excluding Industry Group 5411 (Legal Services). The aggregated service sector data will be released for the first time in March 2011 (for fourth quarter 2010), when five quarters of data are available. The service sector data will be released in conjunction with the Manufacturing, Mining, and Wholesale Trade data, providing estimated statements of income and retained earnings, balance sheets, and related financial and operating ratios.

### **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/econ/qfr/index.html>. Data in the release are drawn from a more comprehensive data set published in the *Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations - Third quarter 2010* (QFR/10-Q3). This quarterly publication is available for downloading at our QFR internet website <http://www.census.gov/econ/qfr/index.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. 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). For any comparison cited in the text without a confidence interval, the change is statistically significant at the 90 percent confidence level.

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, and Trade Corporations - Third quarter 2010* (QFR/10-Q3), includes more detailed explanations of nonsampling and sampling error, and additional measures of sampling variability.

<b>Manufacturing, Mining, Wholesale Trade and Selected Service Industries</b>	
<b>Schedule of Release Dates for Calendar Year 2011</b>	
Fourth Quarter 2010	March 28, 2011
First Quarter 2011	June 13, 2011
Second Quarter 2011	September 12, 2011
Third Quarter 2011	December 12, 2011

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

Item	Seasonally adjusted			Unadjusted		
	3Q	2Q	3Q	3Q	2Q	3Q
	2010	2010 <sup>2</sup>	2009 <sup>2</sup>	2010	2010 <sup>2</sup>	2009 <sup>2</sup>
Rate of return (after taxes):						
Cents per dollar of sales .....	8.50	8.21	7.34	8.61	8.66	7.51
Percent on equity (annual rate) .....	N/A	N/A	N/A	15.69	16.20	13.67
	(million dollars)					
Sales .....	1,443,487	1,433,767	1,287,391	1,465,183	1,457,902	1,305,867
Income after income taxes .....	122,698	117,658	94,531	126,134	126,200	98,089
Dividends paid (cash) .....	N/A	N/A	N/A	37,655	42,460	35,209

<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)			
All manufacturing:								
1999 .....	1,002,506	1,025,688	1,046,924	1,073,854	59,624	61,994	64,146	72,429
2000 .....	1,119,631	1,127,723	1,144,050	1,122,680	77,114	69,338	71,207	52,691
2001 .....	1,114,742	1,093,583	1,058,841	1,029,060	(155)	14,524	8,374	13,100
2002 .....	1,024,230	1,048,796	1,064,605	1,077,644	25,370	36,439	38,726	39,193
2003 .....	1,101,639	1,073,602	1,103,988	1,114,281	59,415	48,311	50,810	78,040
2004 .....	1,182,582	1,222,494	1,243,105	1,283,787	77,050	85,494	87,429	97,861
2005 .....	1,300,122	1,323,415	1,373,016	1,411,646	92,003	97,692	105,390	105,847
2006 .....	1,445,556	1,455,743	1,452,250	1,427,304	122,500	113,525	122,686	111,510
2007 .....	1,456,509	1,497,030	1,520,669	1,582,740	120,266	127,331	76,049	119,041
2008 .....	1,624,517	1,692,051	1,659,668	1,395,150	120,380	100,381	119,807	(74,348)
2009 .....	1,242,585	1,231,662	1,287,391	1,345,794	36,826	51,259	94,531	104,406
2010 .....	1,402,384	1,433,767	1,443,487		111,167	117,658	122,698	
All nondurable manufacturing:								
1999 .....	445,182	452,182	460,145	477,183	26,149	28,417	30,142	32,919
2000 .....	506,678	514,623	526,842	505,152	37,087	38,232	35,671	31,426
2001 .....	507,778	506,156	488,508	471,647	31,243	33,850	25,520	21,508
2002 .....	463,484	478,710	497,245	515,407	26,495	28,834	29,261	33,787
2003 .....	540,997	514,264	532,176	526,333	43,664	33,923	28,160	42,852
2004 .....	571,972	593,026	602,986	628,086	41,363	47,023	49,914	53,068
2005 .....	637,953	646,549	689,789	705,363	56,082	57,636	61,573	64,717
2006 .....	719,867	722,468	727,279	703,080	69,043	71,576	72,106	64,533
2007 .....	714,082	749,251	761,923	818,535	70,875	74,174	67,583	70,376
2008 .....	853,895	922,786	913,586	712,072	74,184	76,992	83,875	(12,293)
2009 .....	632,763	646,786	685,556	716,138	45,871	55,864	61,617	68,006
2010 .....	744,293	752,369	757,612		63,954	59,715	61,080	
All durable manufacturing:								
1999 .....	557,324	573,506	586,779	596,671	33,475	33,577	34,004	39,510
2000 .....	612,953	613,100	617,208	617,528	40,027	31,106	35,536	21,265
2001 .....	606,964	587,427	570,333	557,413	(31,398)	(19,326)	(17,146)	(8,408)
2002 .....	560,746	570,086	567,360	562,237	(1,125)	7,605	9,465	5,406
2003 .....	560,642	559,338	571,812	587,948	15,751	14,388	22,650	35,188
2004 .....	610,610	629,468	640,119	655,701	35,687	38,471	37,515	44,793
2005 .....	662,169	676,866	683,227	706,283	35,921	40,056	43,817	41,130
2006 .....	725,689	733,275	724,971	724,224	53,457	41,949	50,580	46,977
2007 .....	742,427	747,779	758,746	764,205	49,391	53,157	8,466	48,665
2008 .....	770,622	769,265	746,082	683,078	46,196	23,389	35,932	(62,055)
2009 .....	609,822	584,876	601,835	629,656	(9,045)	(4,605)	32,914	36,400
2010 .....	658,091	681,398	685,875		47,213	57,943	61,618	

<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 Trade Corporations – Not Seasonally Adjusted Sales and Profits**

Industry group	Sales			Operating profits <sup>1</sup>			After-tax profits		
	3Q	2Q	3Q	3Q	2Q	3Q	3Q	2Q	3Q
	2010	2010 <sup>2</sup>	2009 <sup>2</sup>	2010	2010 <sup>2</sup>	2009 <sup>2</sup>	2010	2010 <sup>2</sup>	2009 <sup>2</sup>
	(million dollars)								
All manufacturing <sup>3</sup> .....	1,465,183	1,457,902	1,305,867	119,013	117,124	90,126	126,134	126,200	98,089
All nondurable manufacturing .....	765,258	768,512	692,629	65,344	62,566	56,795	64,882	60,364	65,503
Food .....	138,691	136,519	134,846	10,617	9,715	10,290	8,029	7,402	8,836
Beverage and tobacco products .....	44,709	43,498	37,871	9,483	9,101	7,955	8,937	8,541	6,591
Textile mills and textile product mills .....	9,535	9,221	8,672	636	497	377	468	362	201
Apparel and leather products .....	22,646	21,749	22,490	2,298	1,989	1,882	1,948	1,799	1,618
Paper .....	31,855	30,377	29,453	2,978	1,821	3,053	2,087	2,474	2,104
Printing and related support activities .....	15,837	15,776	15,464	1,187	1,209	897	634	561	237
Petroleum and coal products .....	273,002	275,160	231,300	8,405	11,834	4,879	17,424	1,975	13,655
Chemicals .....	187,013	194,794	175,723	27,034	23,592	24,725	23,580	34,993	30,458
Basic chemicals, resins, and synthetics <sup>4</sup> .....	58,554	62,622	50,082	4,123	4,449	2,197	2,946	13,091	2,013
Pharmaceuticals and medicines <sup>4</sup> .....	80,393	79,578	79,439	16,359	11,825	16,604	13,973	15,848	22,534
All other chemicals <sup>4</sup> .....	48,065	52,594	46,202	6,552	7,318	5,924	6,661	6,054	5,911
Plastics and rubber products .....	41,972	41,417	36,810	2,707	2,809	2,738	1,776	2,259	1,803
All durable manufacturing .....	699,925	689,391	613,238	53,669	54,558	33,330	61,252	65,836	32,586
Wood products .....	16,791	17,568	15,821	501	1,092	833	1,223	539	215
Nonmetallic mineral products .....	26,080	24,495	25,567	1,674	1,498	1,773	1,585	1,956	1,257
Primary metals .....	55,618	55,563	41,923	2,986	3,658	1,378	2,490	5,180	(256)
Iron, steel, and ferroalloys <sup>4</sup> .....	29,055	29,035	20,585	469	1,237	(520)	(25)	47	(1,465)
Nonferrous metals <sup>4</sup> .....	21,800	21,591	17,643	1,954	1,826	1,530	2,128	4,749	1,101
Foundries <sup>4</sup> .....	4,762	4,937	3,695	562	595	368	387	384	108
Fabricated metal products .....	62,173	61,066	56,891	5,423	5,593	4,623	4,569	4,551	3,205
Machinery .....	88,472	87,527	74,200	6,703	7,502	4,433	6,069	7,215	4,407
Computer and electronic products .....	155,771	148,633	132,528	14,184	12,622	6,228	24,561	21,369	13,808
Computer and peripheral equipment <sup>4</sup> .....	48,010	45,989	41,617	4,480	4,197	1,531	7,499	7,163	5,062
Communications equipment <sup>4</sup> .....	35,136	33,782	29,994	1,867	1,849	(331)	4,443	4,514	2,925
All other electronic products <sup>4</sup> .....	72,625	68,862	60,917	7,838	6,576	5,027	12,619	9,693	5,821
Electrical equipment, appliances, and components .....	46,887	47,966	45,390	4,440	5,204	3,489	4,176	5,624	3,843
Transportation equipment .....	196,788	194,517	169,791	12,662	12,595	4,987	10,991	13,864	1,316
Motor vehicles and parts <sup>4</sup> .....	123,456	121,887	97,581	6,238	5,944	(127)	6,157	8,412	(3,294)
Aerospace products and parts <sup>4</sup> .....	61,229	60,184	60,362	5,175	5,297	3,969	3,928	4,518	3,958
Furniture and related products .....	13,900	14,338	14,149	721	879	970	340	581	580
Miscellaneous manufacturing .....	37,446	37,718	36,976	4,375	3,914	4,617	5,248	4,958	4,209
All mining <sup>3</sup> .....	52,201	49,387	45,628	9,847	8,856	7,898	11,587	9,017	4,485
All wholesale trade <sup>3</sup> .....	466,578	458,471	425,566	12,215	12,086	8,529	7,375	7,275	4,647

<sup>1</sup>Operating profits are profits before nonoperating income, 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 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.