

QFR

Introduction For more than 50 years the Quarterly Financial Report (QFR) program has collected and published quarterly aggregate statistics on the economic health of U.S. corporations. The program is conducted by the Department of Commerce's U.S. Census Bureau.

This pamphlet briefly describes the program's background, uses, and legal authority; gives a brief description of its scope and the data that are made available; a timetable for company reporting periods, and the timing for the publication of data is provided.

More information about the QFR program can be obtained at our Web site: <http://www.census.gov/csd/qfr/>. There you will find published data and PDF versions of the report forms.

History and Background

The QFR program's origin dates back to World War II, when the responsibility for collecting data relating to economic activity in the U.S. was in the hands of the Office of Price Administration (OPA). The OPA was dismantled at the conclusion of the war, and the Financial Reporting Division and its functions were transferred to the Federal Trade Commission (FTC).

In 1947, the responsibility for the collection and publication of QFR data was assigned to the Securities and Exchange Commission (SEC) and the FTC jointly. In 1971, those QFR program functions that had been performed by the SEC were transferred to the FTC. In December 1982, the QFR program was transferred to the Census Bureau, in order to capitalize on the efficiency of a statistical agency dedicated to professional and confidential data collection and dissemination.

Purpose of the Program and Data Uses

The QFR program provides accurate and timely data on the financial conditions of businesses for use by the federal government and the private sector. Some of the data users include:

- ◆ The U.S. Council of Economic Advisors, which uses the QFR data in designing economic policies and advising the President on economic policy.
- ◆ The Commerce Department, which uses the QFR data for the corporate profit's data in their estimates of the Gross Domestic Product (GDP).

- ◆ The Federal Reserve Board, which uses the QFR data to measure cash flow, debt structure, and liquidity in the flow of funds accounts for the nation.
- ◆ Congressional committees, which uses the QFR data in evaluating proposed legislation with respect to tax policy and other issues of economic concern.
- ◆ Companies, which use the QFR information as a standard with which to compare their company performance with the rest of the industry.
- ◆ Trade and industry associations, which uses the QFR data to assess the impact of economic policies and the effects of the Generally Accepted Accounting Principles (GAAP) rule changes.
- ◆ Newspapers and business periodicals, which uses the QFR results to keep the public informed about the U.S. domestic economy.
- ◆ Banking and lending institutions, which uses the QFR data to assist in making lending and investment decisions.
- ◆ University and college professors, who use the QFR data in developing economic theory and conducting economic analysis.

Legal Authority and Confidentiality

The QFR program is conducted under the authority of Title 13 of the United States Code, Section 91, which requires that financial statistics of business operations be collected

and published quarterly. This legal authority imposes a joint obligation on corporations to respond and on the Census Bureau to maintain the confidentiality of information reported. The law also specifies penalties for noncompliance and for unauthorized disclosure by people sworn to protect Census Bureau information. No data are published that could reveal the identity or activities of any specific company. Individual QFR report forms cannot be used for the purposes of taxation, investigation, or regulation. The law also affords this full protection of confidentiality to the file copy of a Census Bureau report retained by the respondent.

Approval to use the QFR report forms was obtained from the Office of Management and Budget (OMB), which is responsible for ensuring that the data are not available from other sources in the time frame needed.

Information Requested

The QFR requests companies to report estimates from their statements of income and retained earnings, balance sheets, and related financial and operating ratios for domestic operations. The statistical data are classified and aggregated by type of industry and asset size.

Survey Methods

The QFR sample includes large manufacturing companies, mostly with \$250 million or more in assets. It also includes a small sample of manufacturing companies, mostly with assets between \$250 thousand and \$250 million, and a sample of mining, wholesale, and

retail companies, mostly with assets of \$50 million or more. Annual receipts are used to supplement asset information in the sample selection process. This creates situations where a company might end up in one of the strata described above even though its assets are under the stratum cutoff value. At any one time there are between 8,000 and 9,000 companies active in the sample, from which estimates for groups of 36 industries are published. All manufacturing, mining, and trade corporations with assets of more than \$250 million are required to submit quarterly reports on a continuing basis to the program. We randomly sample companies with assets below \$250 million, and once drawn in they are required to file for eight-consecutive quarters. Once we place a group in use, we cannot make substitutions until we develop a new group. After their eight quarters reporting requirements are completed, companies with assets between \$50 million and \$250 million and also meet a receipt criterion, would receive a 2-year exemption from being selected in the sample. Companies smaller than that size receive a 10-year exemption. However, if a company increases in size the rules of the next size category are in play.

Reporting Instruments

The QFR provides several methods for companies to report their data. Traditional paper questionnaires are available for reporting and are generally mailed

out, to be returned by mail or fax. A Computer Self-Administered Questionnaire (CSAQ) was developed and offered to respondents filing the long form as an alternative method for submitting data. The CSAQ instrument will be available to all QFR participants by the end of 2003. To ensure a secure environment for submitting the reports, each user will be provided with a unique user identification number and password.

Data Collection

Companies report for each of their fiscal quarters and are included in published calendar quarter estimates depending on the month their books are closed.

The following table defines the calendar quarter reporting schedules for the various business sectors in terms of the month in which any given selected company's fiscal quarter ends:

Reporting Quarters for Survey Industry Sectors

QFR Quarter	Manufacturing, Mining, and Wholesale Trade	Retail Trade
First	Jan., Feb., or Mar.	Feb., Mar., or Apr.
Second	Apr., May, or Jun.	May, Jun., or Jul.
Third	Jul., Aug., or Sept.	Aug., Sept., or Oct.
Fourth	Oct., Nov., or Dec.	Nov., Dec., or Jan.

Publication Schedule and Content

QFR data are published for each calendar quarter approximately 75 days after the end of the first, second, and third calendar quarters and approximately

95 days after the end of the fourth calendar quarter. Estimates are made for 36 types of business activities in the manufacturing, mining, wholesale trade, and retail trade sectors.

Each publication includes information on the most recently closed quarters for manufacturing, mining, and wholesale trade. Data for retailing are available on a one-quarter lag basis, except in the fourth quarter, when the 95 day publication period permits synchronized presentation.

How to Contact Us

If you want to speak to someone about the QFR program, call us at the numbers listed below. If you reach our voice mail, leave a detailed message including your name, how we may get back to you, and your specific question or request. Someone will return your call as soon as we are able. We suggest you also refer to our Web site for more detailed information about the QFR program. It also contains a copy of a reporting questionnaire, and recently published data.

Phone:
1-800-866-4707 (toll free)
301-763-3386

Fax:
1-888-353-4102 (toll free)
301-457-3387

Web site:
<http://www.census.gov/csd/qfr/>

Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations

