

# US Financial Accounts: Corporate Finance II

Yardeni Research, Inc.

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[blog.yardeni.com](http://blog.yardeni.com)



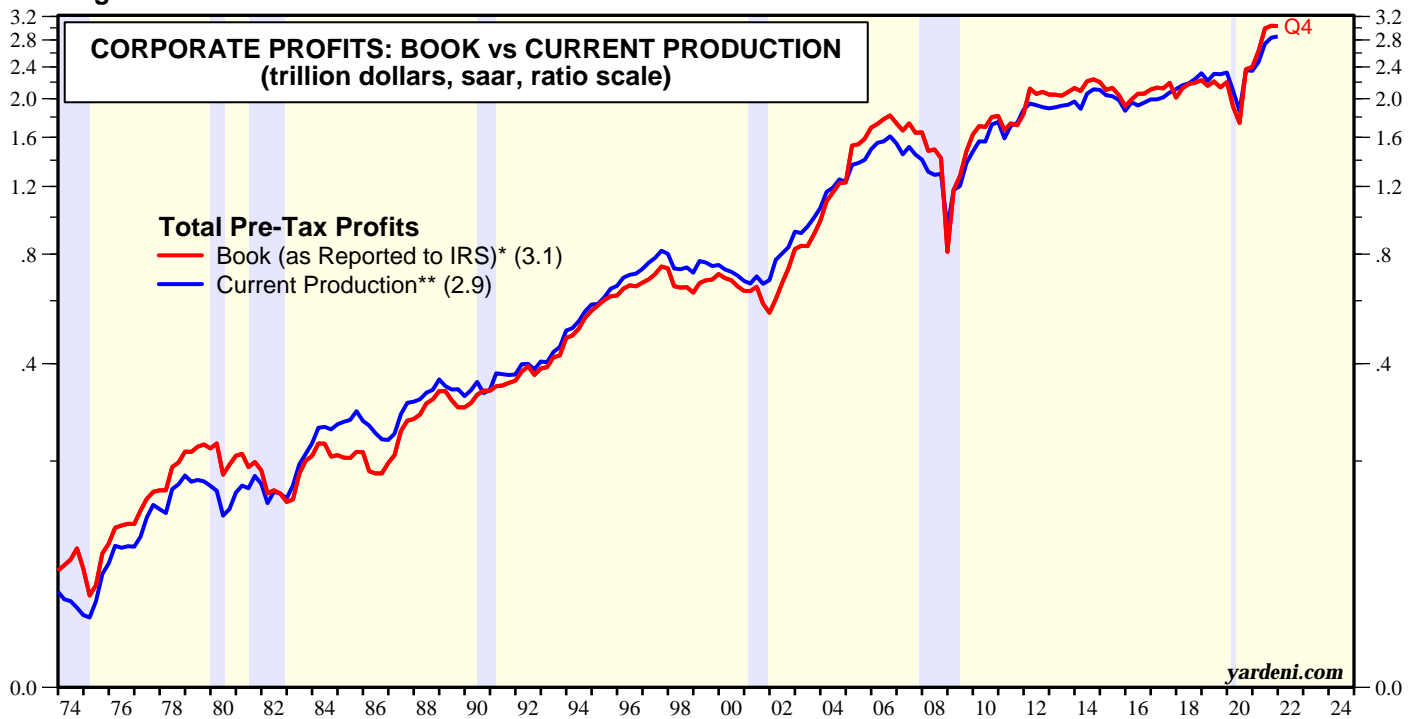
*thinking outside the box*

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# *Table Of Contents*

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Figure 1.

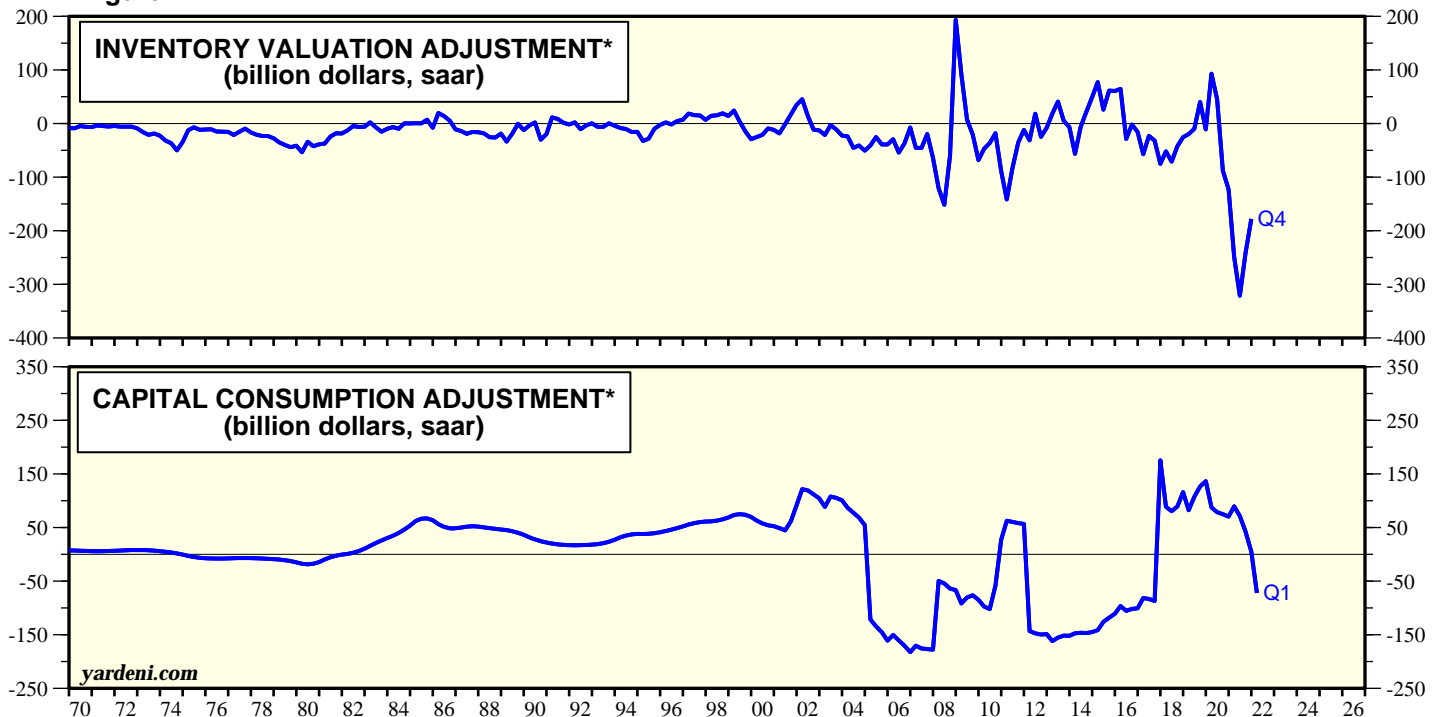


\* Excluding Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj), which restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.

\*\* Including Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj), which restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.

Note: Shaded areas are recessions according to the National Bureau of Economic Research. Source: Bureau of Economic Analysis.

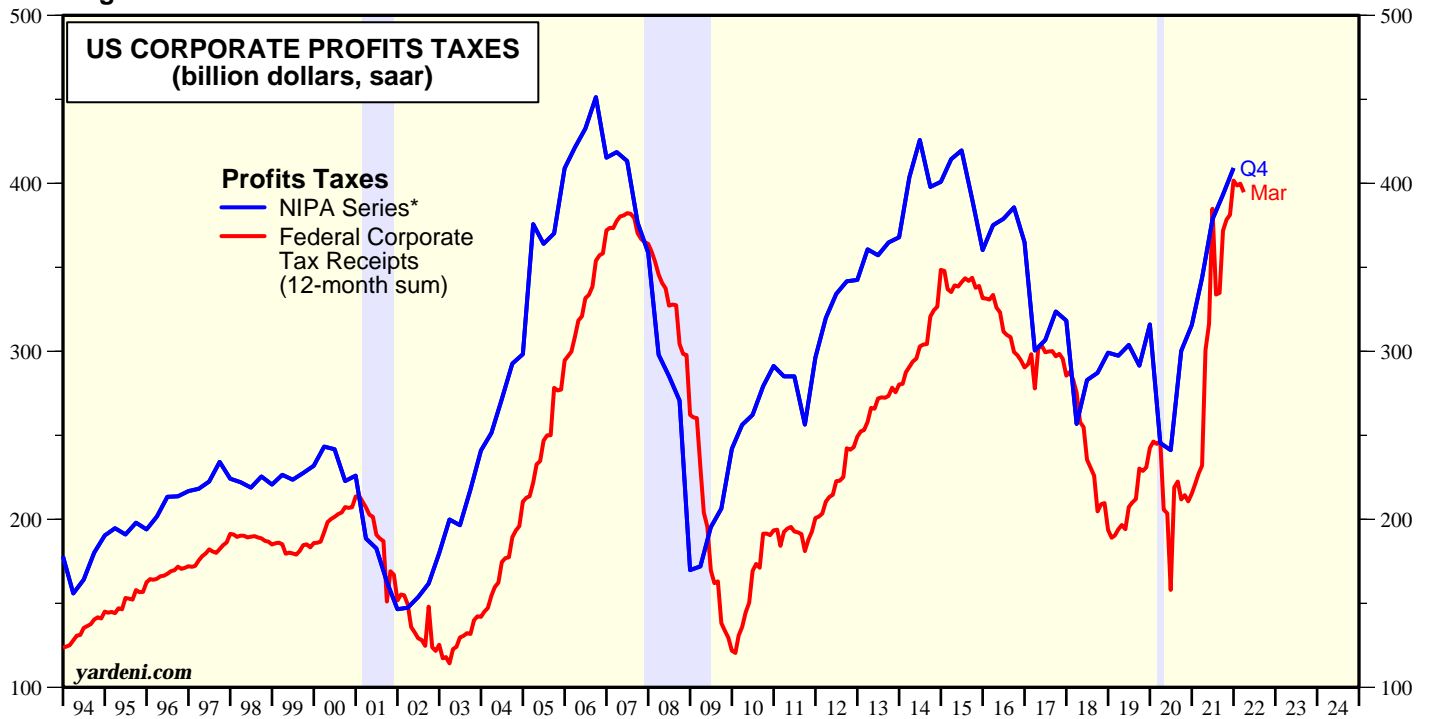
Figure 2.



\* Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj) are used to restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.

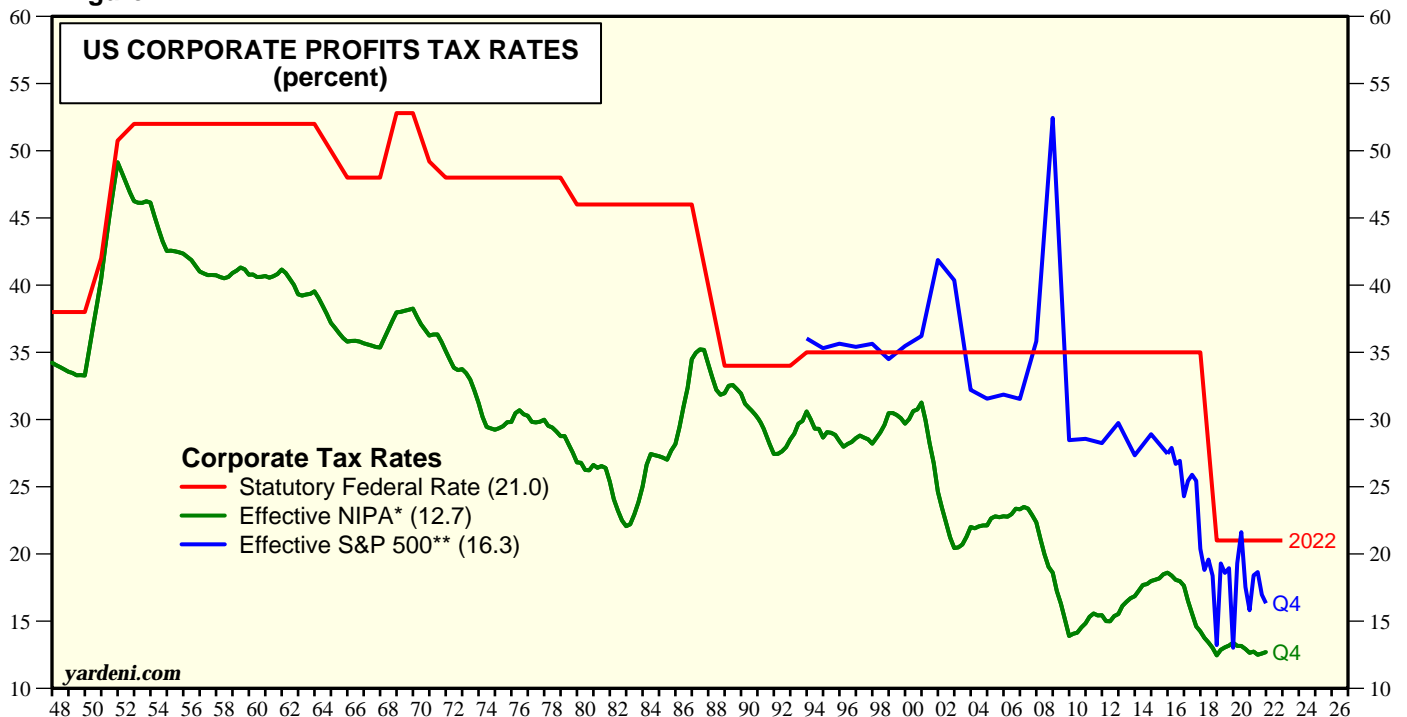
Source: Bureau of Economic Analysis.

**Figure 3.**



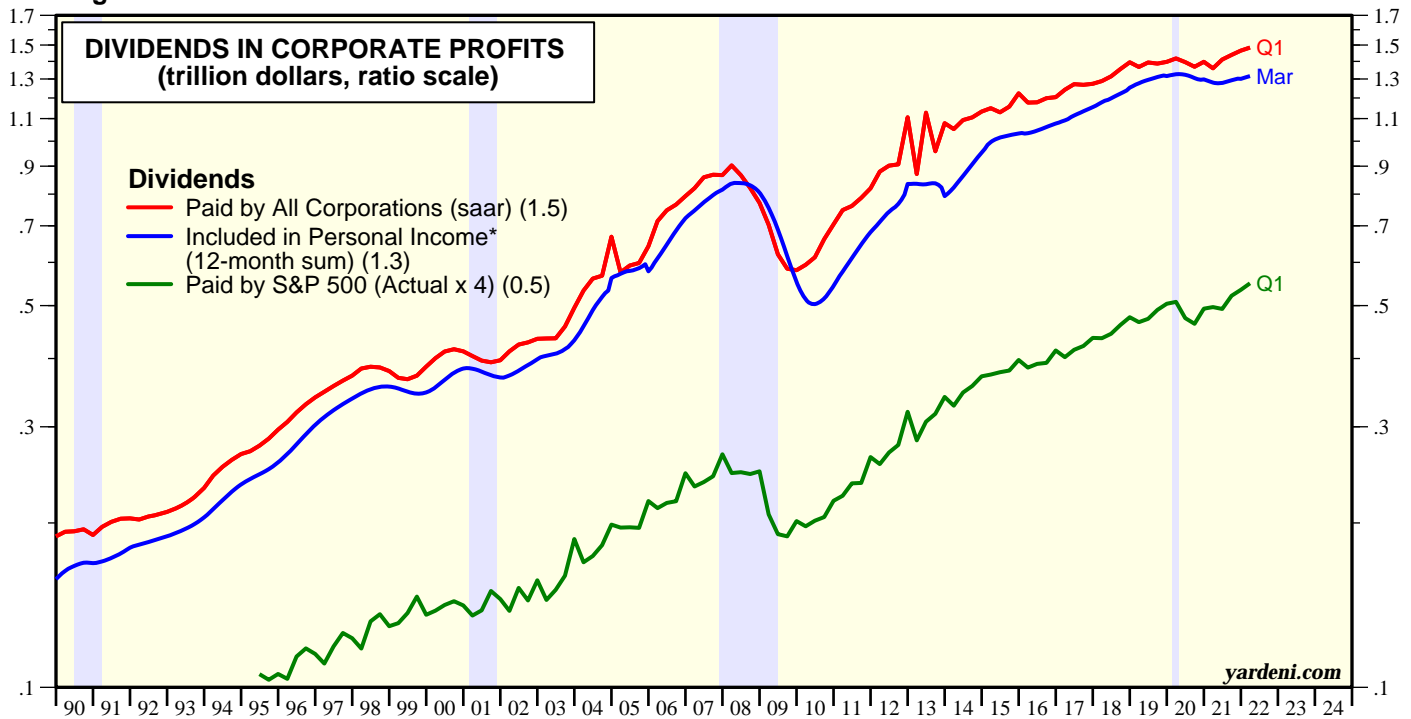
\* Includes US federal taxes and taxes collected by other domestic and foreign taxing authorities.  
Note: Shaded areas are recessions according to the National Bureau of Economic Research.  
Source: Bureau of Economic Analysis.

**Figure 4.**



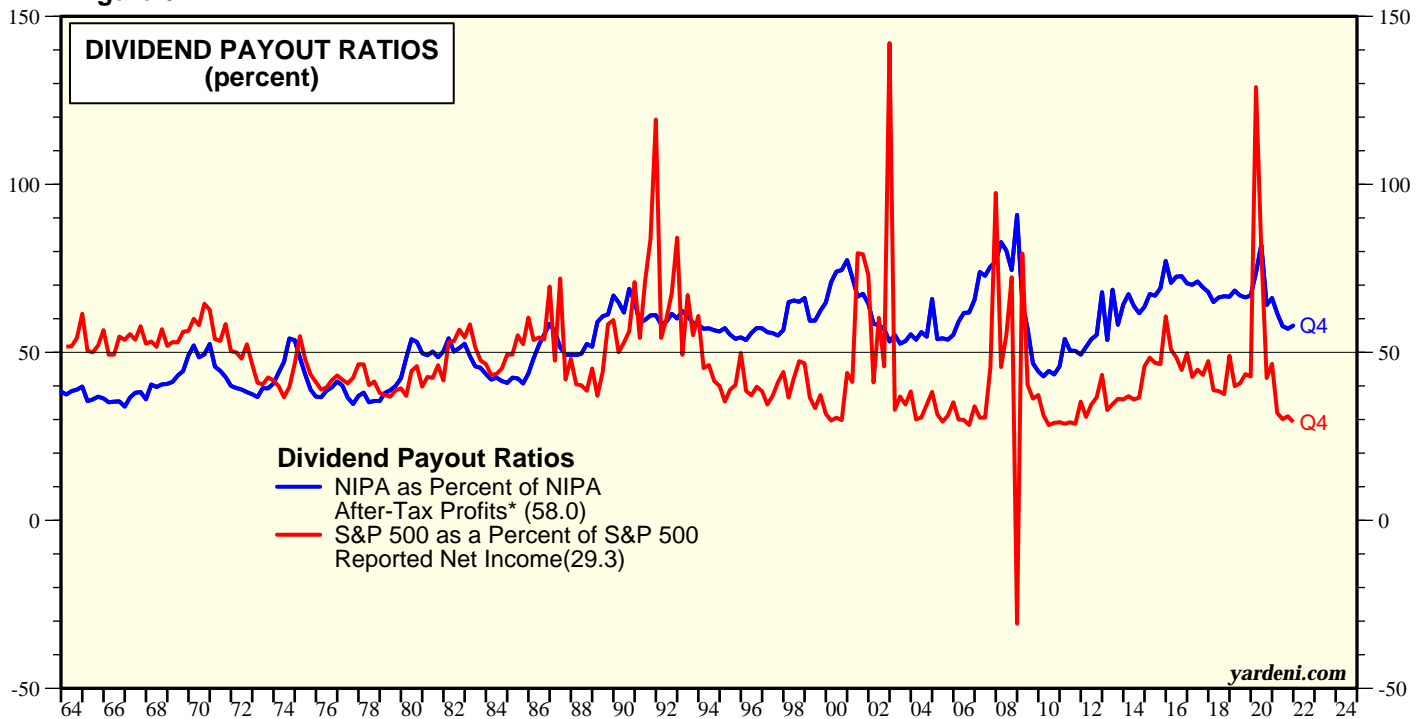
\* Pretax profits reported to the IRS minus after-tax corporate profits divided by pretax profits. Using four-quarter averages. Pre-tax profits includes the profits of S corporations, which are taxed as personal income. Includes "profits" of the Federal Reserve System, which are sent back to the US Treasury. After-tax profits reflects taxes paid to all domestic and foreign taxing agencies.  
\*\* Includes US federal taxes and taxes collected by other domestic and foreign taxing authorities. Derived from S&P Analyst Handbook, where tax rate is income tax as percentage of pre-tax income.  
Source: Bureau of Economic Analysis and US Treasury.

Figure 5.



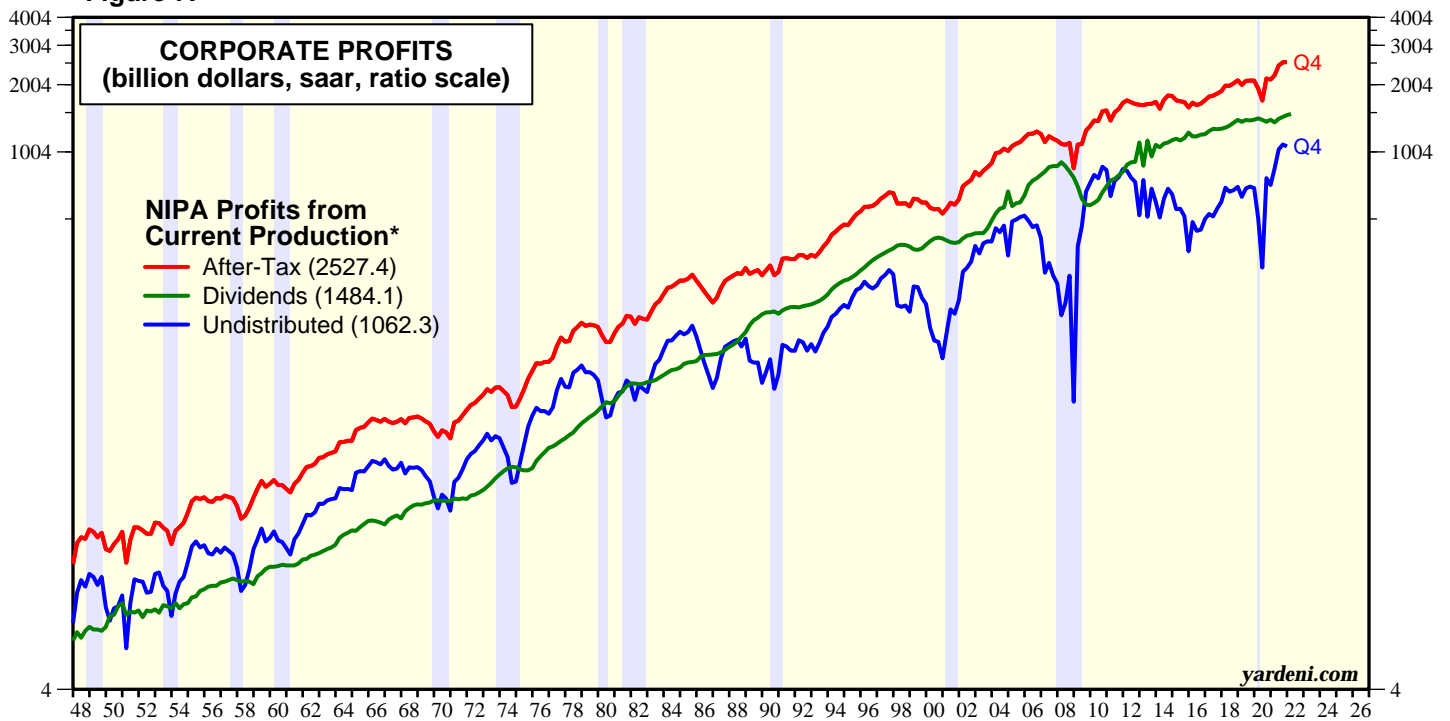
\* Included in personal income.  
 Note: Shaded areas are recessions according to the National Bureau of Economic Research.  
 Source: Bureau of Economic Analysis and Standard & Poor's.

Figure 6.



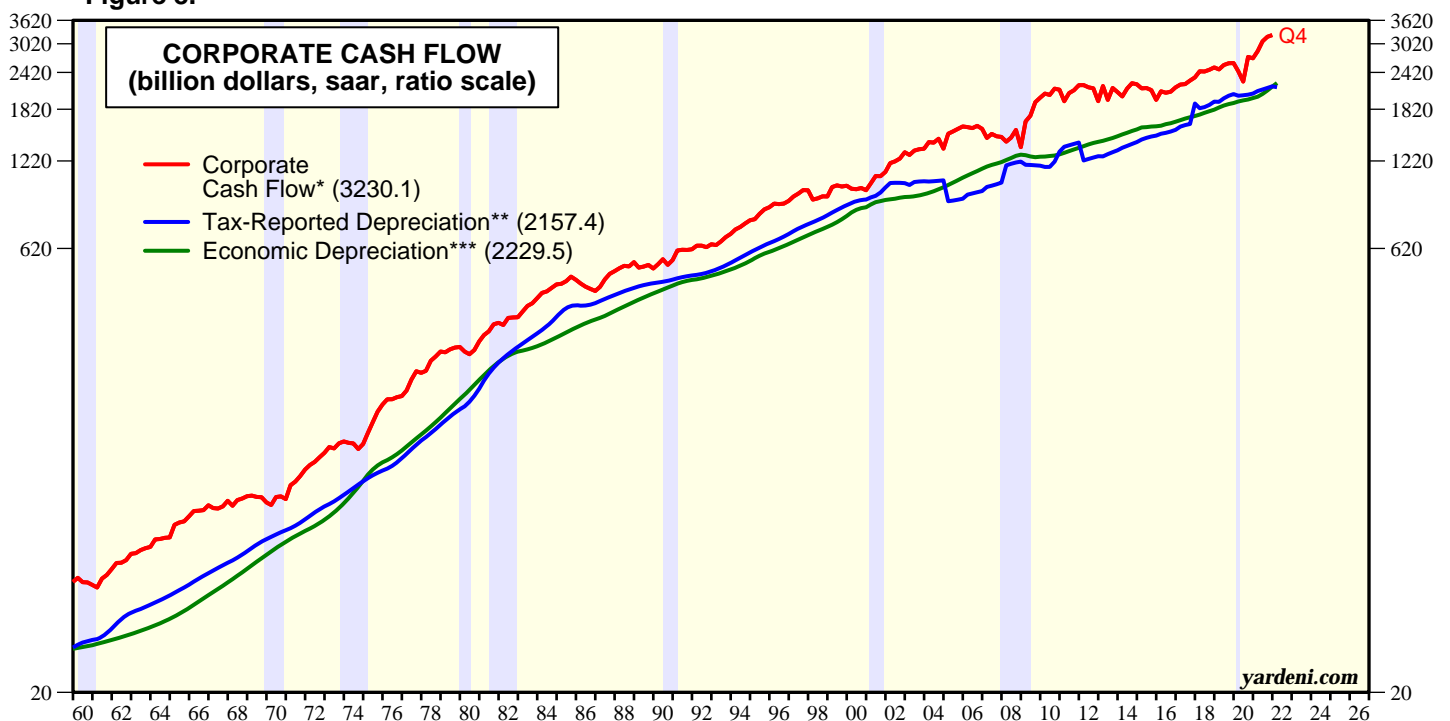
\* From Current Production. Including IVA & CCadj. These two adjustments restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.  
 Source: Federal Reserve Board, Financial Accounts of the United States, Standard & Poor's and Bureau of Economic Analysis.

Figure 7.



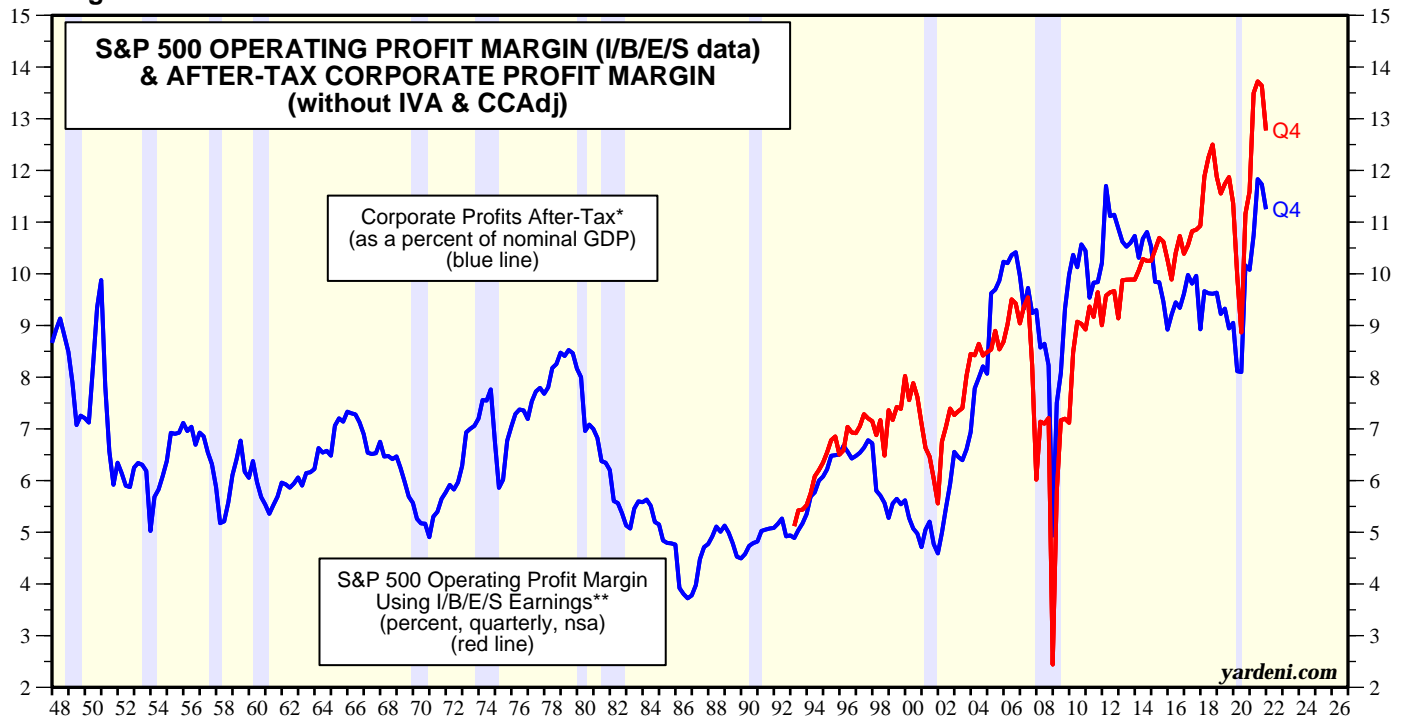
\* Including Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj), which restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.  
Source: Bureau of Economic Analysis.

Figure 8.



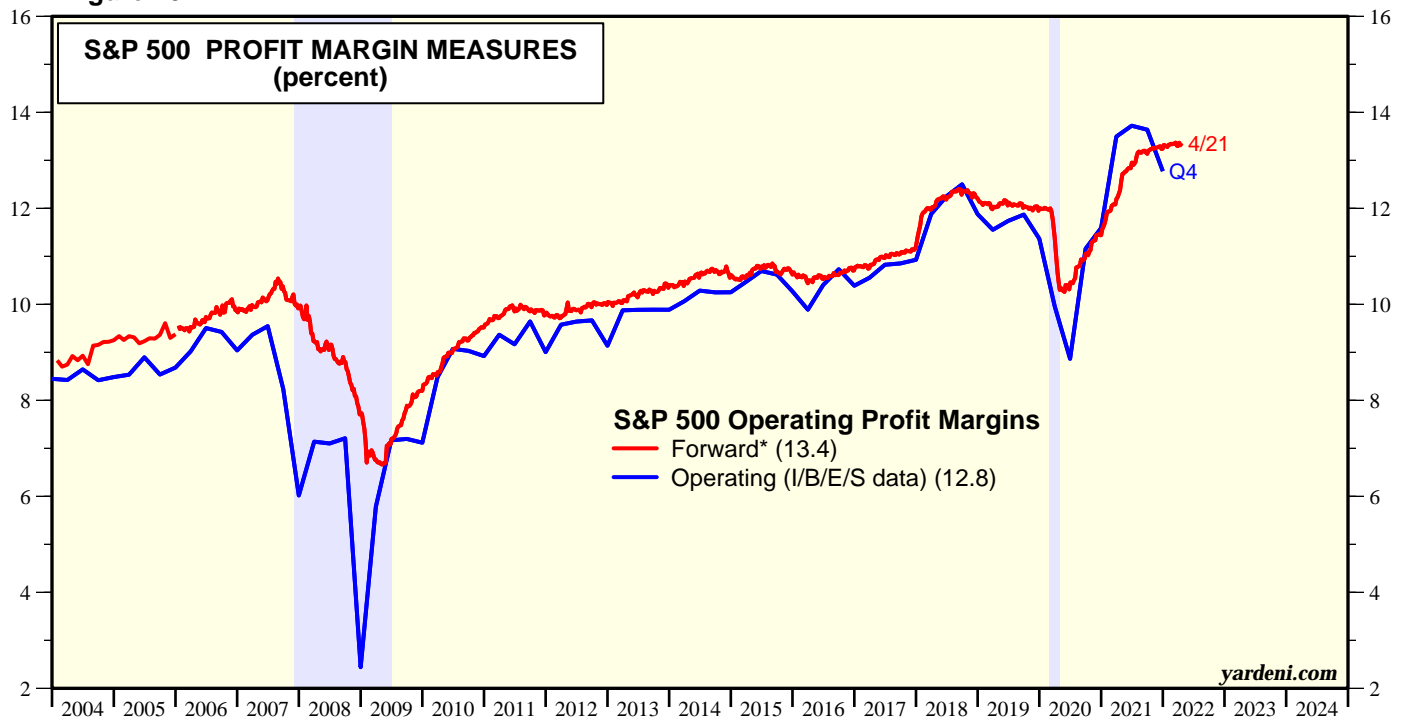
\* After-tax undistributed corporate profits with IVA and CCAAdj plus capital consumption allowance (i.e., tax-reported depreciation).  
\*\* Capital consumption allowance.  
\*\*\* Consumption of fixed capital.  
Note: Shaded areas are recessions according to the National Bureau of Economic Research. Source: Bureau of Economic Analysis.

**Figure 9.**



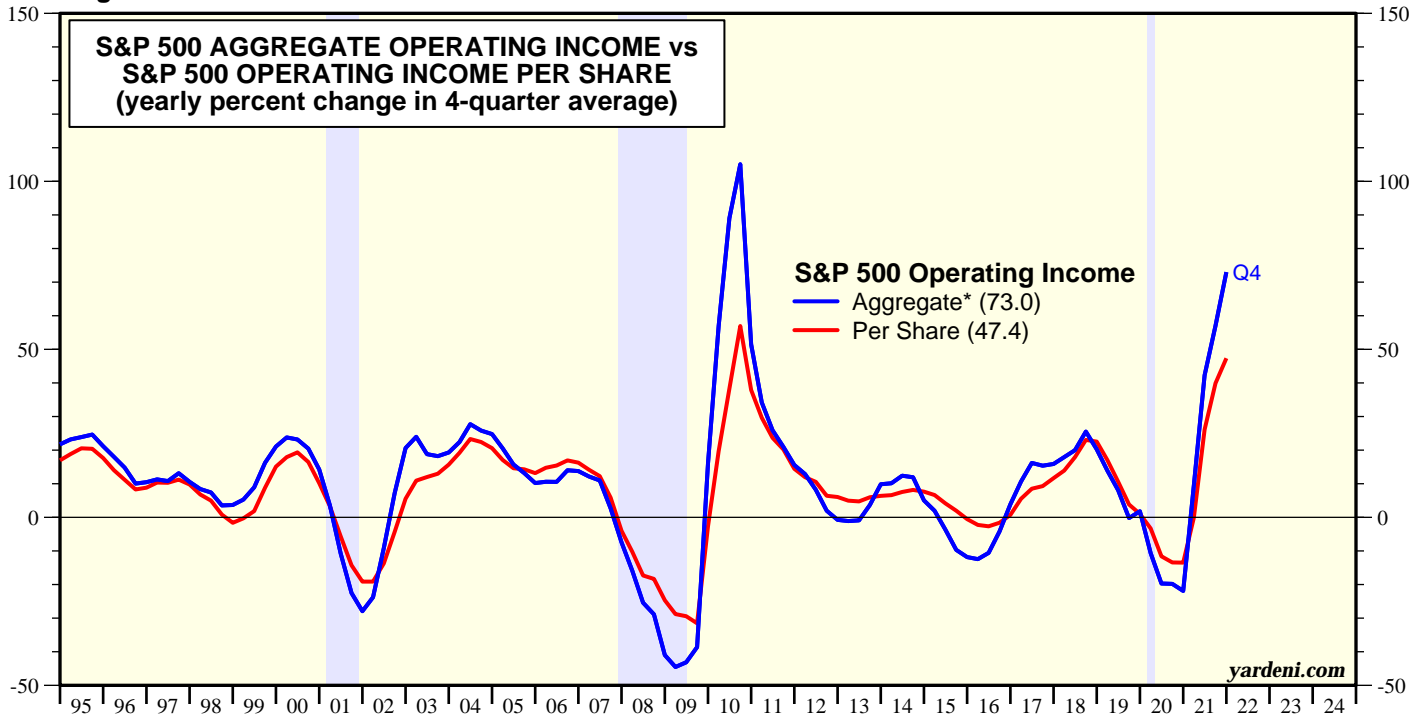
\* After-tax profits as reported to IRS excluding Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj), which restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.  
 \*\* Operating Profit Margin derived using revenues from S&P and earnings from I/B/E/S data by Refinitiv.  
 Note: Shaded areas are recessions according to the National Bureau of Economic Research.  
 Source: Standard & Poor's, Bureau of Economic Analysis, and I/B/E/S data by Refinitiv.

**Figure 10.**



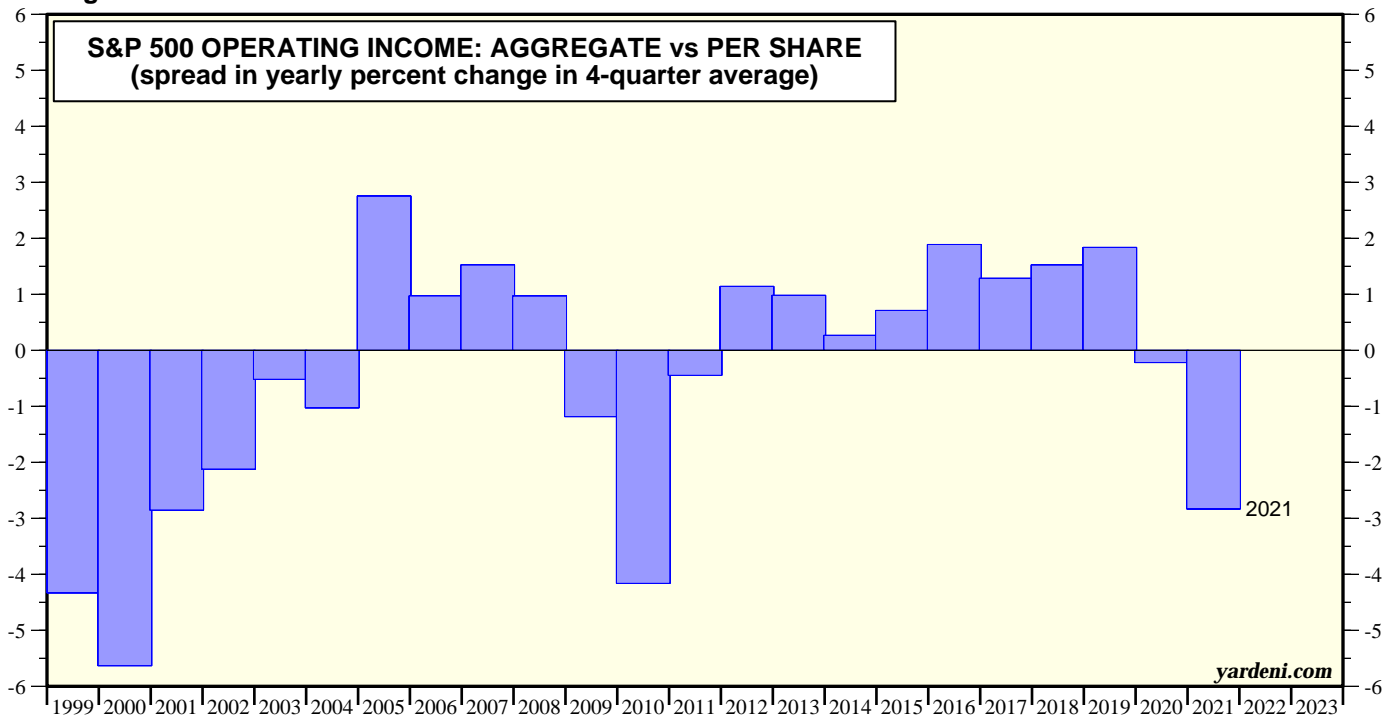
\* Time-weighted average of consensus operating earnings estimates for current and next years.  
 Note: Shaded areas are recessions according to the National Bureau of Economic Research.  
 Source: Standard & Poor's (for actual revenues) and I/B/E/S data by Refinitiv (for forward revenues).

Figure 11.



\* Aggregate earnings is derived by multiplying S&P 500 earnings per share by the S&P 500 divisor for each quarter.  
 Note: Shaded areas are recessions according to the National Bureau of Economic Research.  
 Source: I/B/E/S data by Refinitiv and Standard & Poor's.

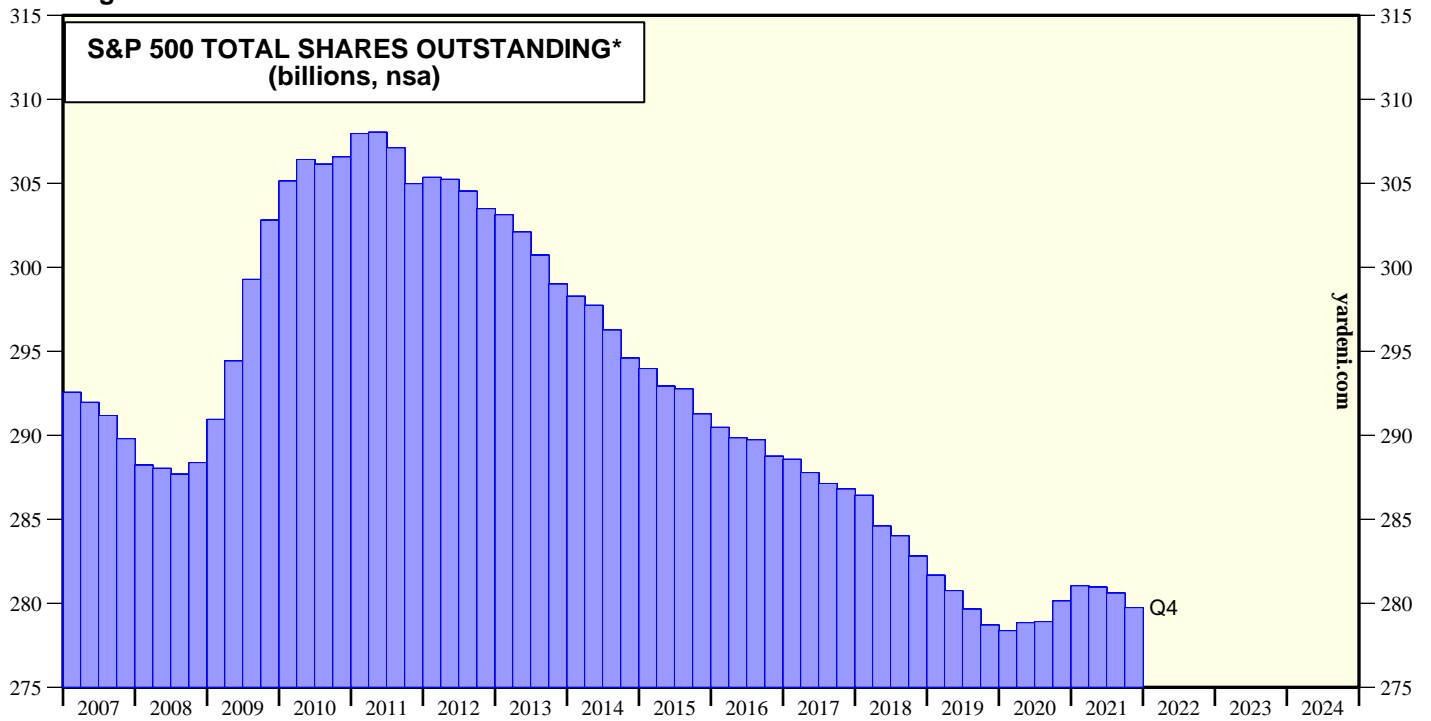
Figure 12.



Source: I/B/E/S data by Refinitiv and Standard & Poor's.

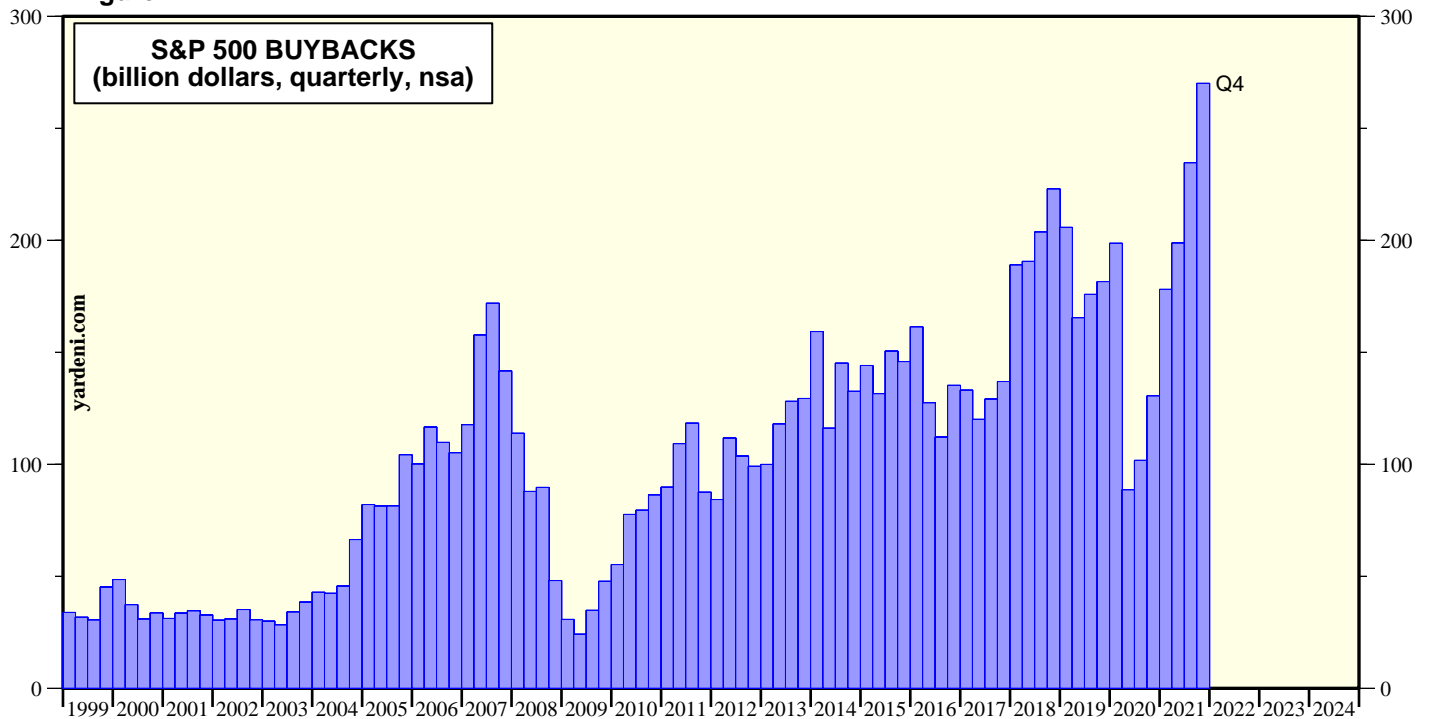


**Figure 13.**



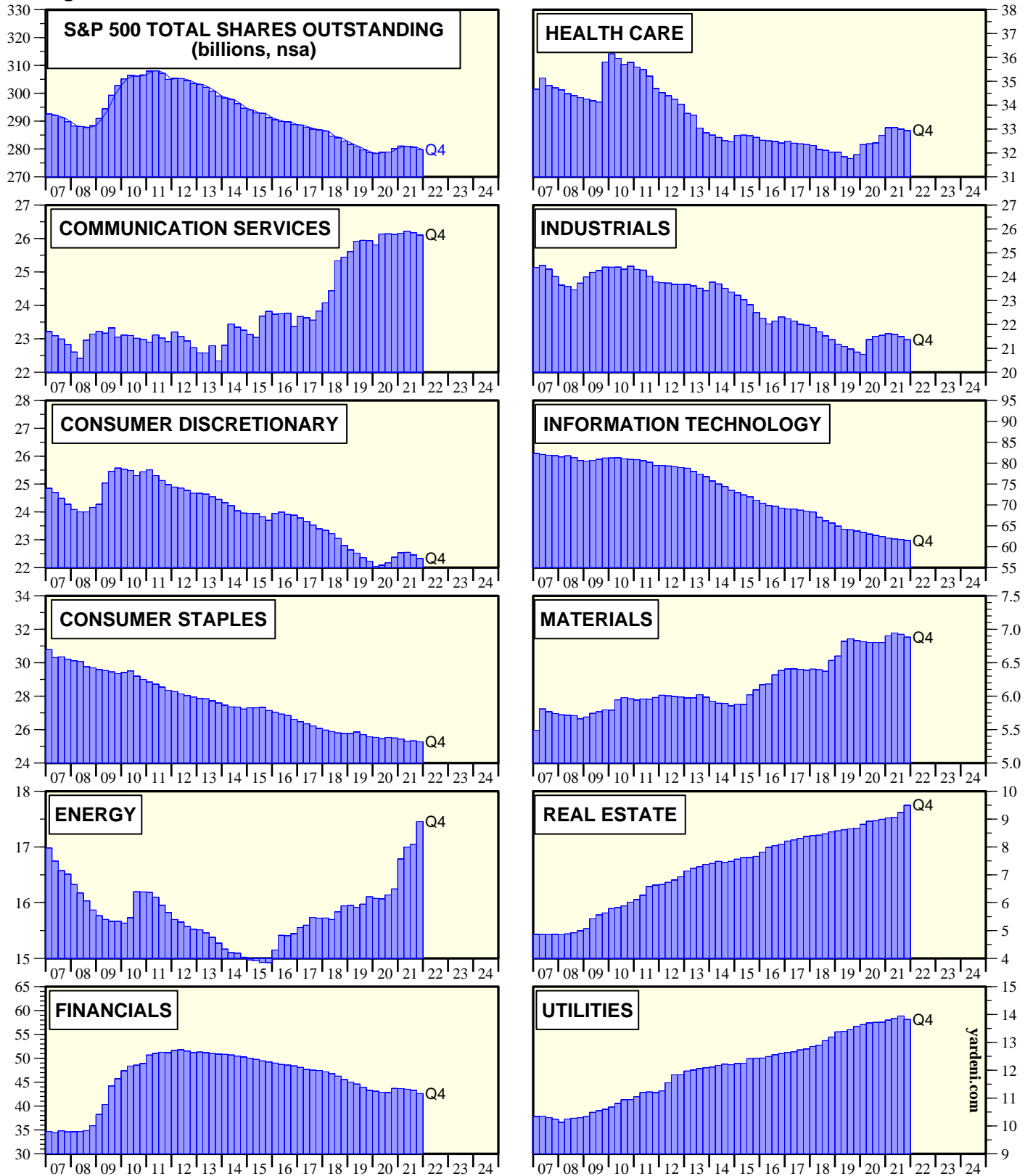
\* Total basic shares outstanding for current S&P 500 companies with data for all periods and adjusted for stock splits and stock dividends.  
Source: Yardeni Research and I/B/E/S data by Refinitiv.

**Figure 14.**



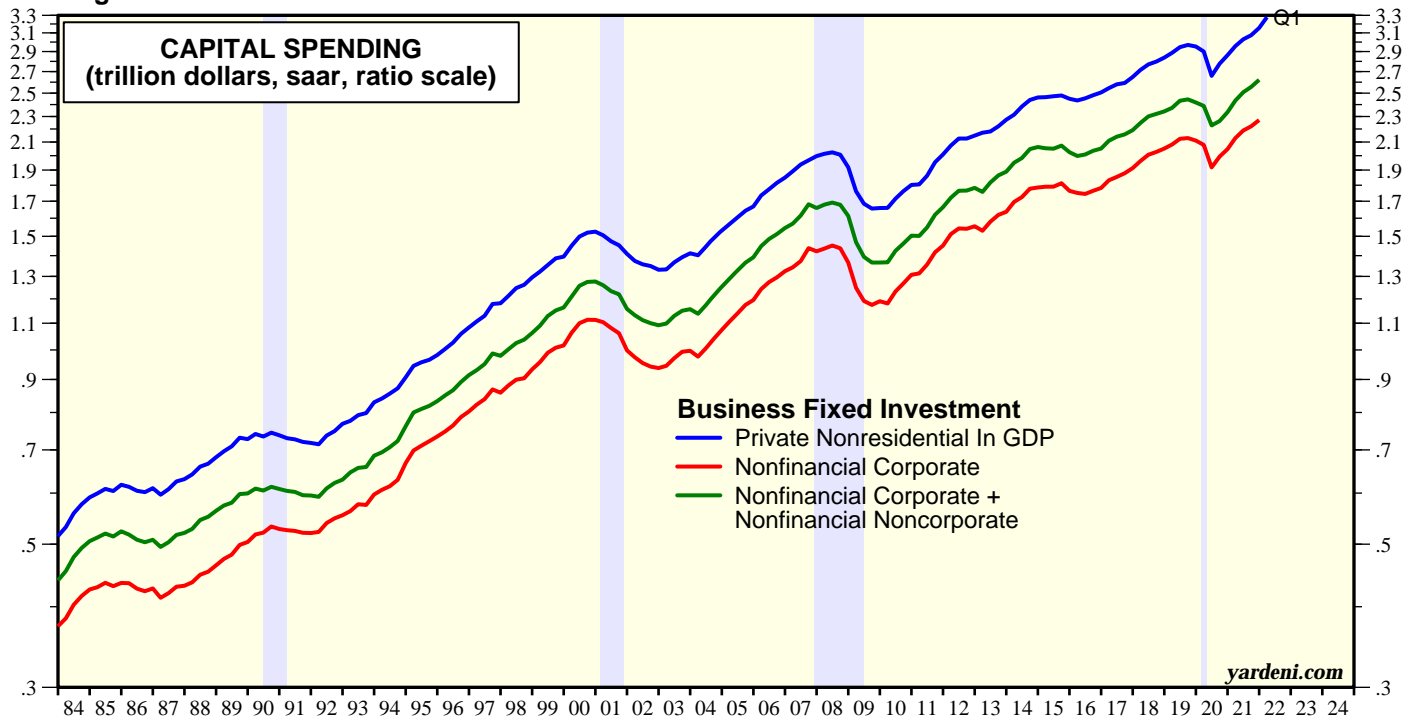
Source: Standard & Poor's.

**Figure 15.**



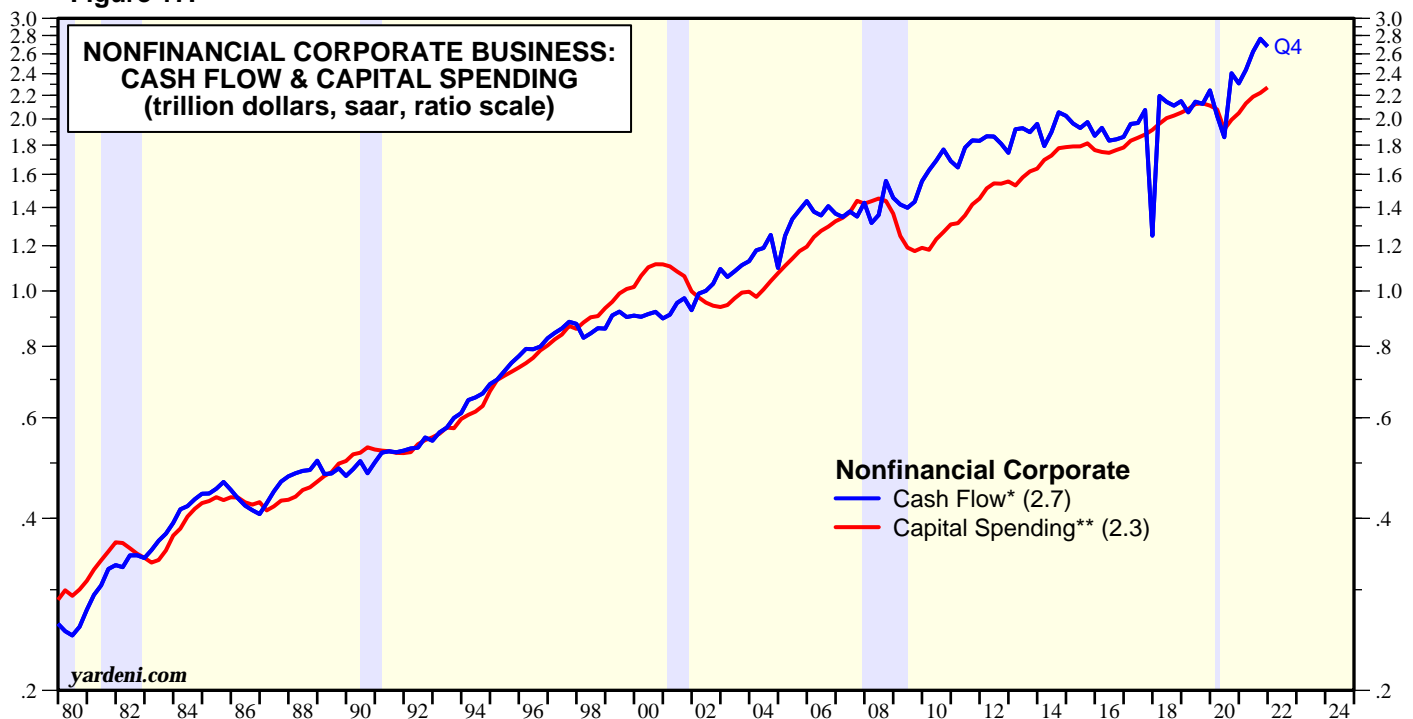
\* Total basic shares outstanding for current S&P 500 companies with data for all periods and adjusted for stock splits and stock dividends.  
Source: Yardeni Research and I/B/E/S data by Refinitiv.

Figure 16.



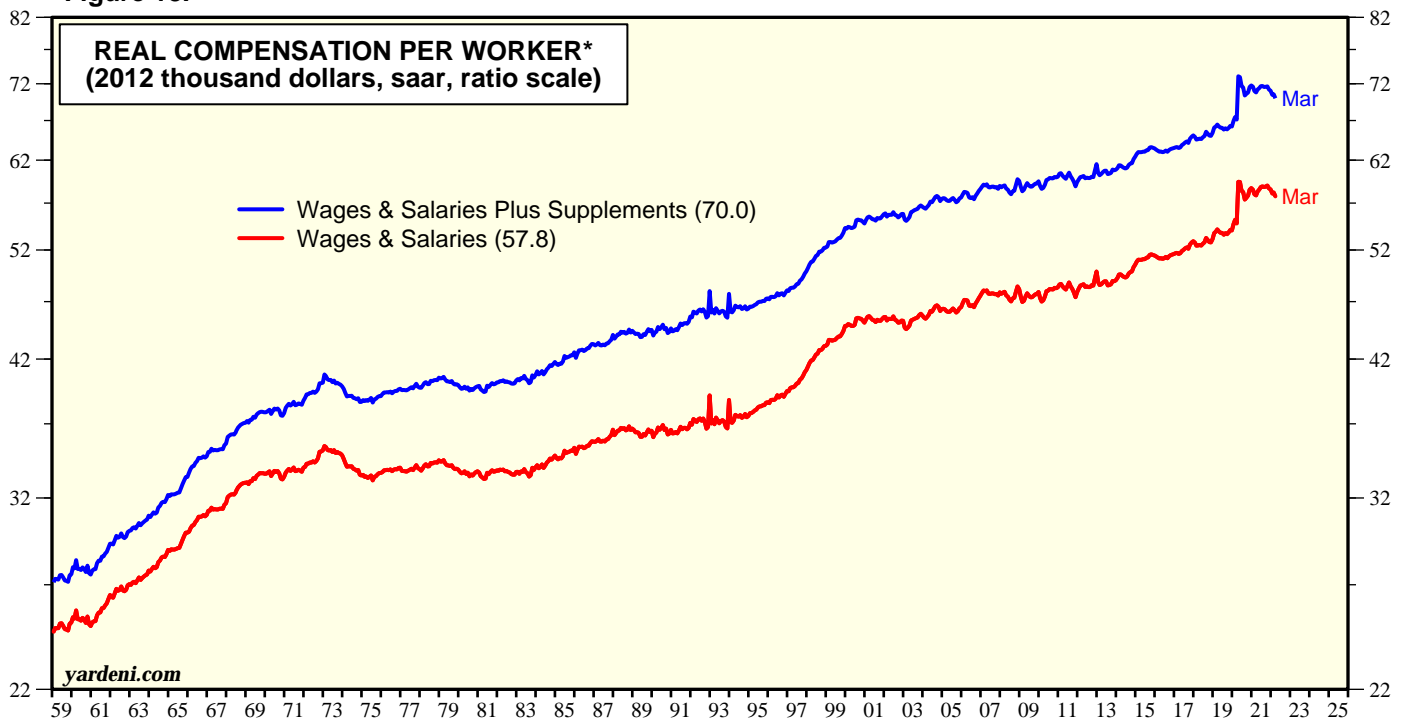
Note: Shaded areas are recessions according to the National Bureau of Economic Research.  
Source: Bureau of Economic Analysis and Federal Reserve Board.

Figure 17.



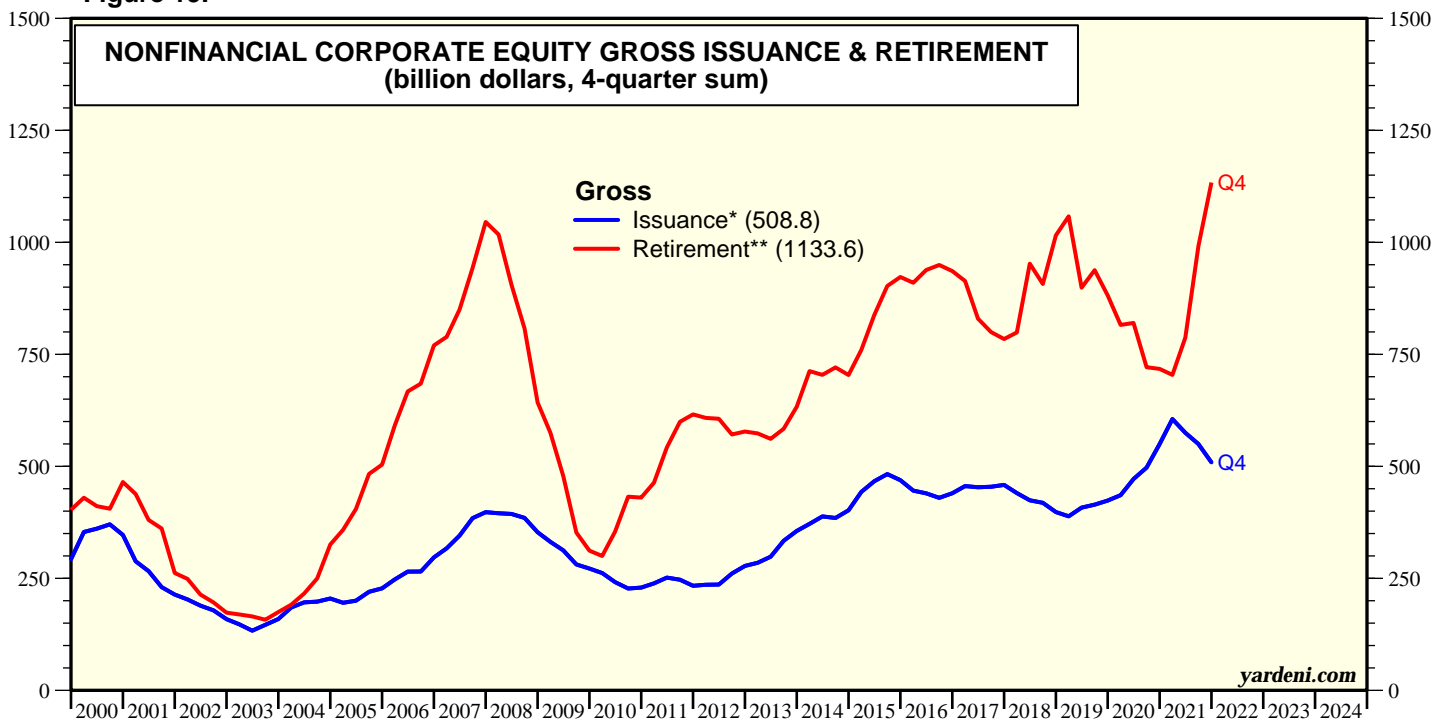
\* Gross saving less net capital transfers paid.  
\*\* Fixed investment.  
Note: Shaded areas are recessions according to the National Bureau of Economic Research.  
Source: Federal Reserve Board.

Figure 18.



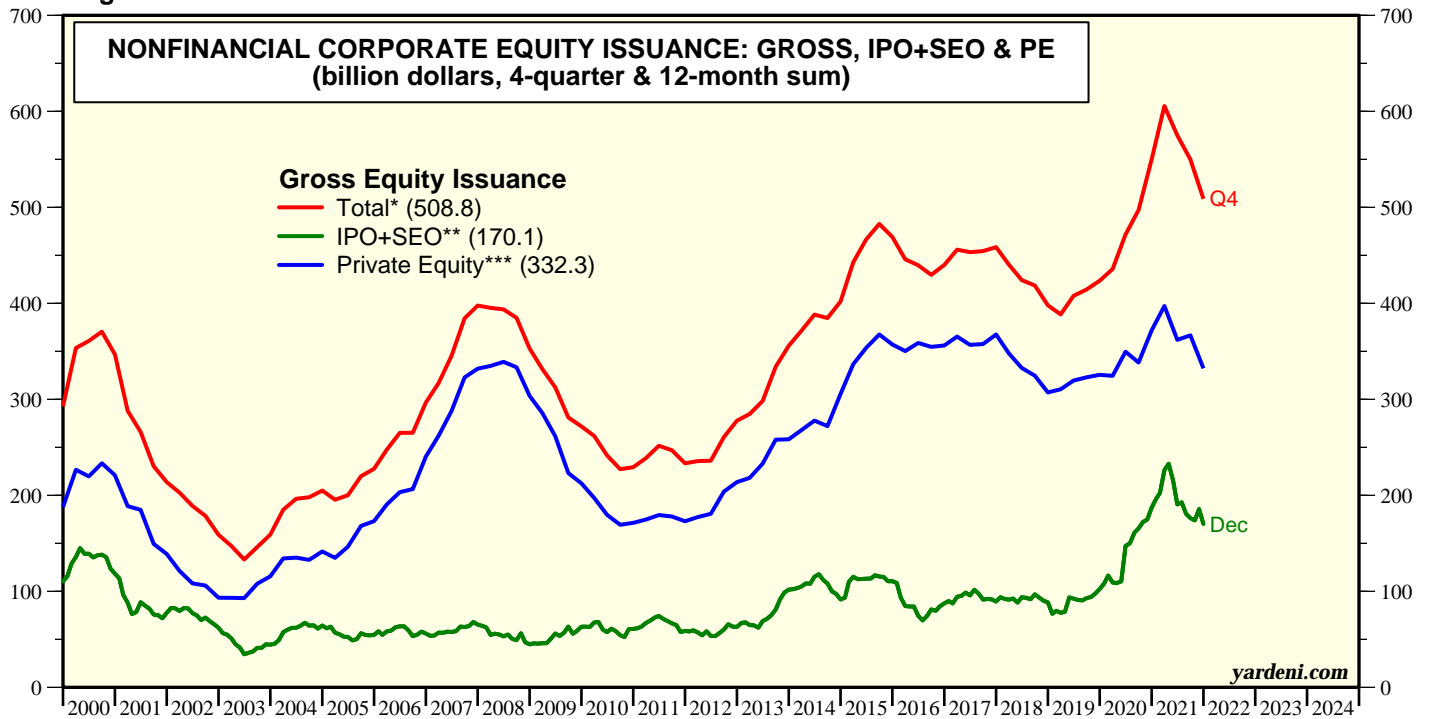
\* Wages, salaries and supplements in personal income divided by household employment. Using personal consumption expenditures deflator. Source: US Department of Labor, Bureau of Labor Statistics, and US Department of Commerce, Bureau of Economic Analysis.

Figure 19.



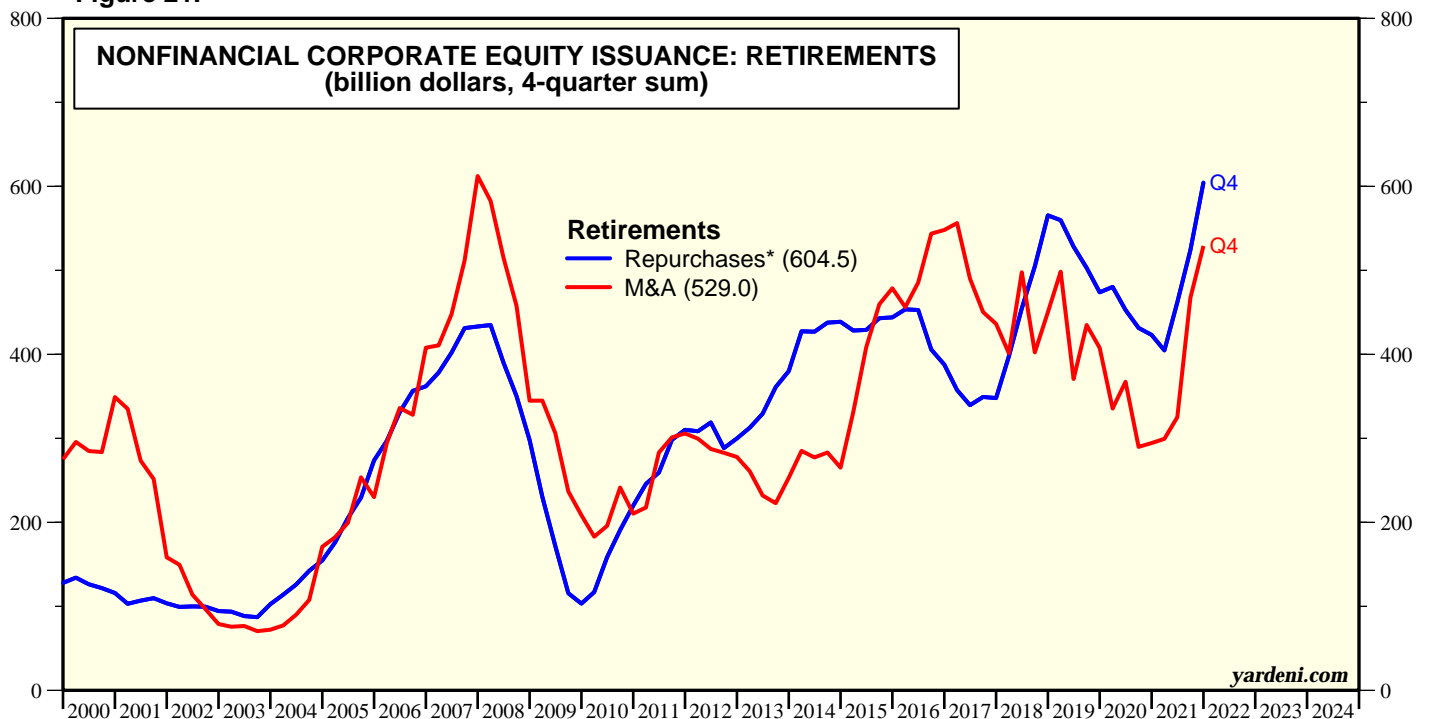
\* Issuance includes initial public offerings, seasoned equity offerings, and private equity.  
 \*\* Retirements includes buybacks and M&A activity. Does not include employee stock plans.  
 Source: Federal Reserve Board Financial Accounts of the United States.

**Figure 20.**



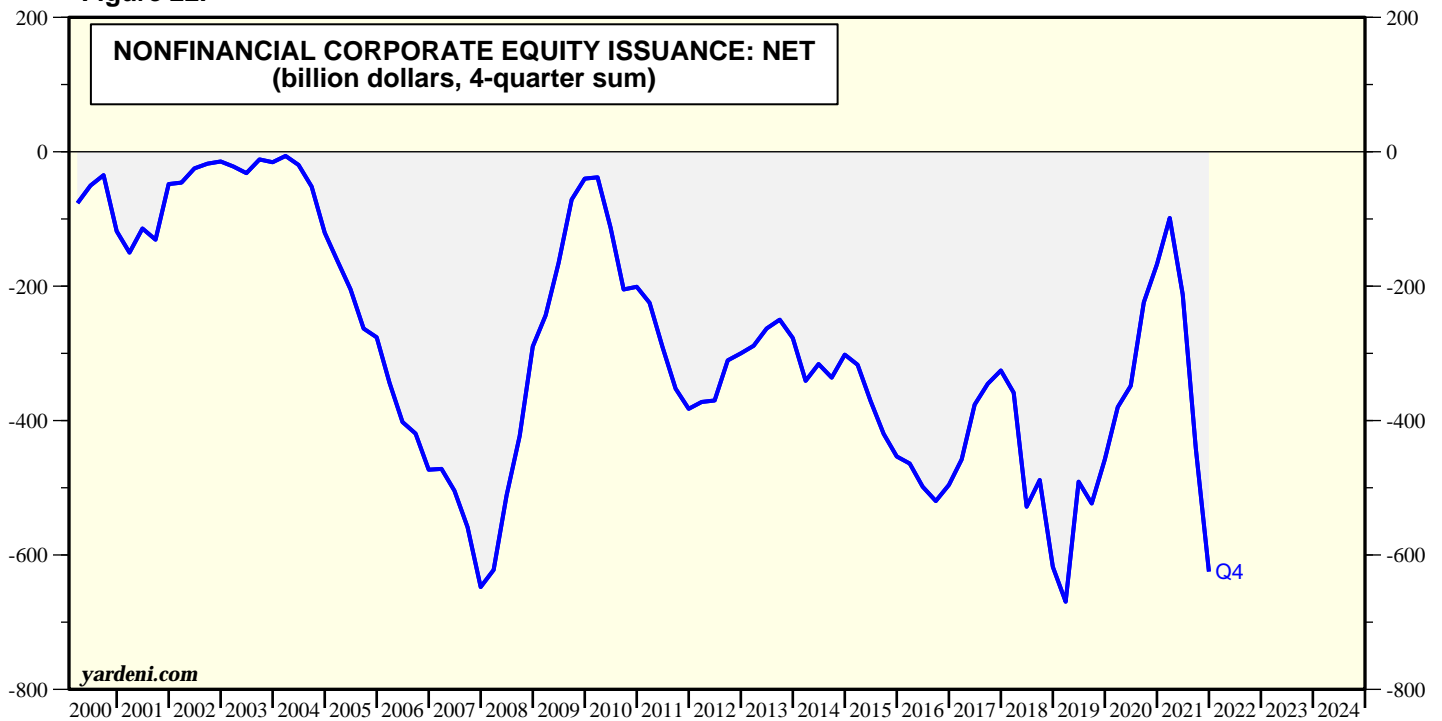
\* Issuance includes initial public offerings, seasoned equity offerings, and private equity.  
 \*\* IPO = initial public offerings. SEO = seasoned equity offerings.  
 \*\*\* Total issuance minus IPO + SEO.  
 Source: Federal Reserve Board Financial Accounts of the United States.

**Figure 21.**



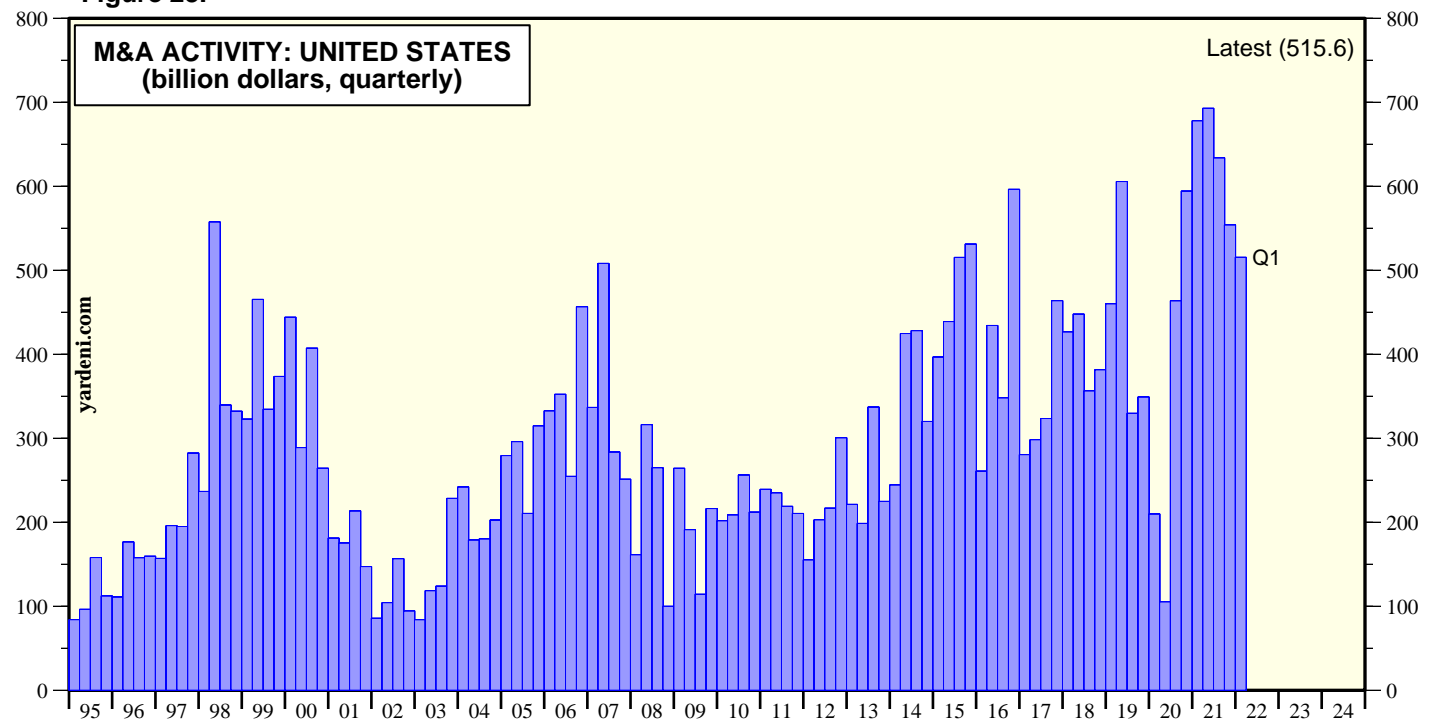
\* Mostly attributable to S&P 500 buybacks by nonfinancial corporations.  
 Source: Federal Reserve Board Financial Accounts of the United States.

**Figure 22.**



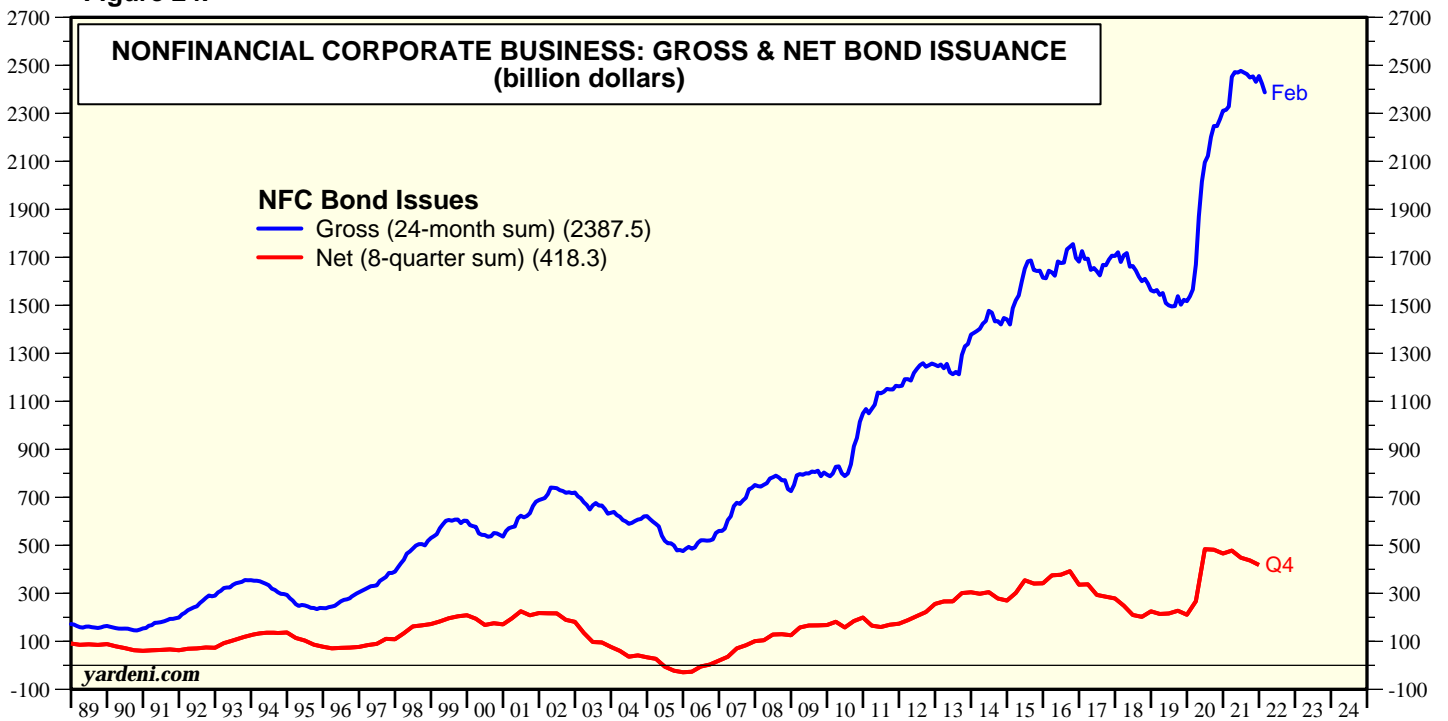
\* Gross issuance (including initial public offerings, seasoned equity offerings, and private equity) minus retirements (including buybacks and M&A activity). Does not include employee stock plans.  
Source: Federal Reserve Board, Financial Accounts of the United States.

**Figure 23.**



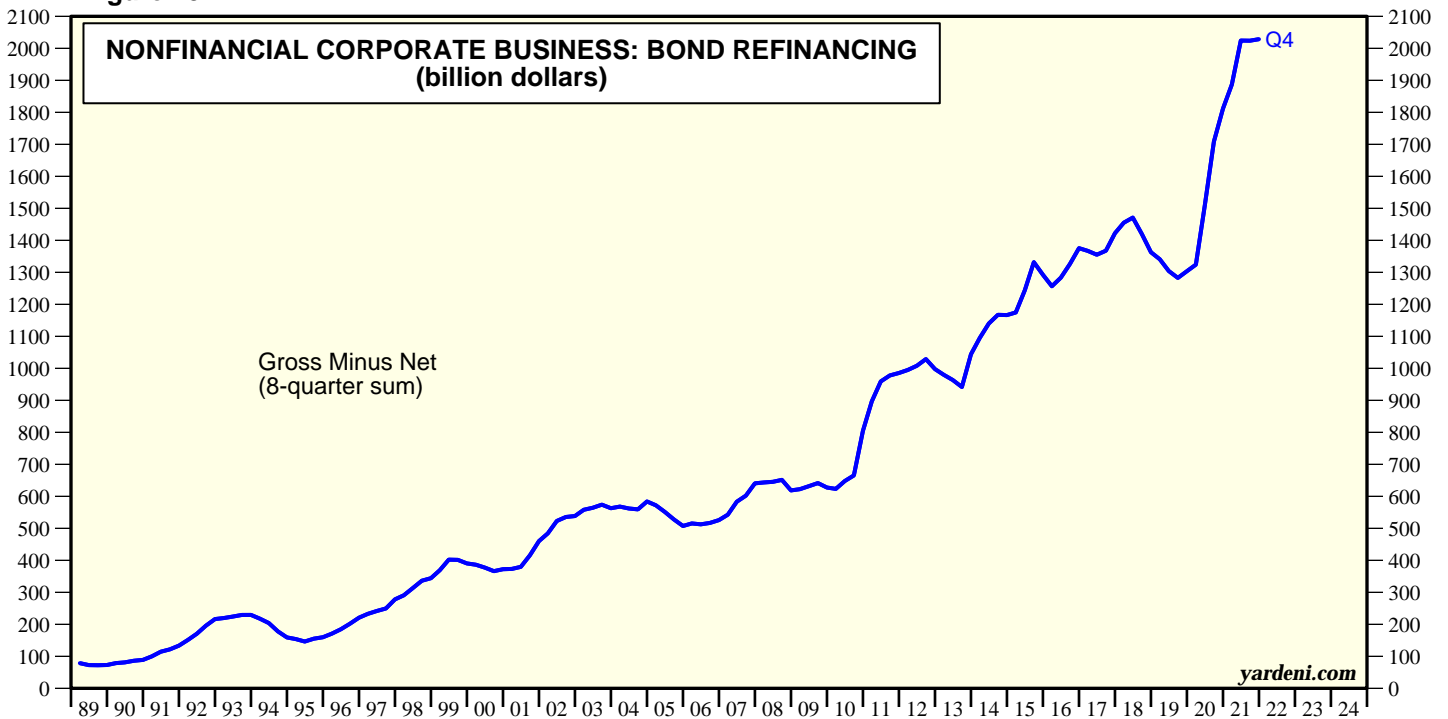
\* Excludes spinoffs.  
Source: Dealogic.

Figure 24.



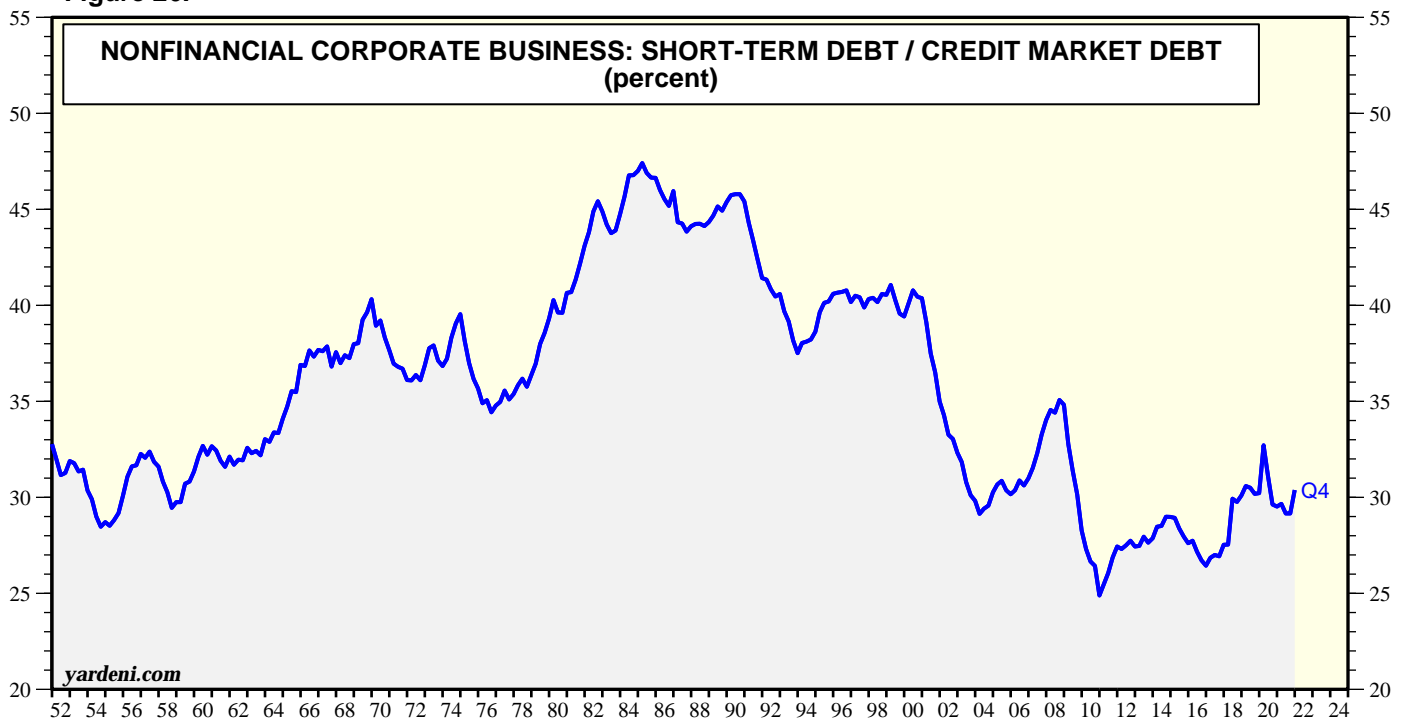
Source: Federal Reserve Board, Financial Accounts of the United States.

Figure 25.



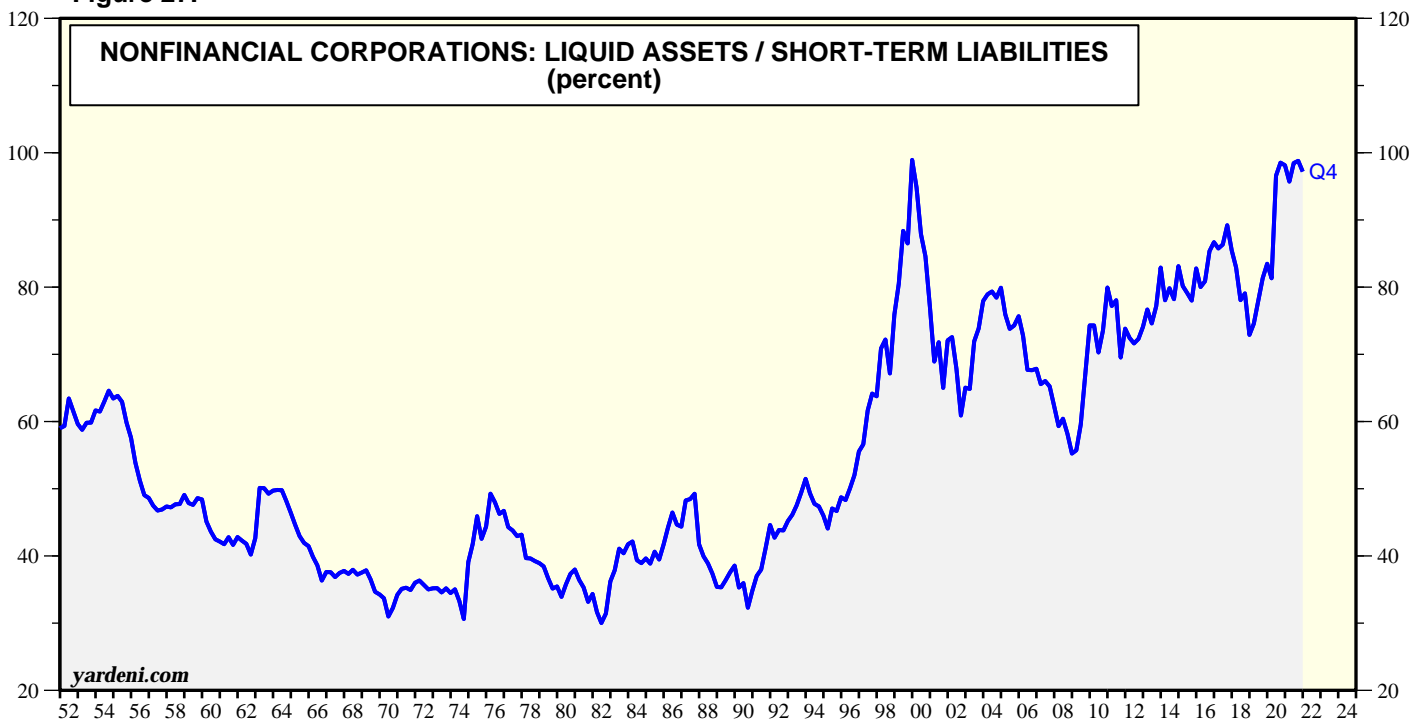
Source: Federal Reserve Board, Financial Accounts of the United States.

Figure 26.



Source: Federal Reserve Board, Financial Accounts of the United States.

Figure 27.



Source: Federal Reserve Board, Financial Accounts of the United States.



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