Etats-Unis

Profits à un niveau élevé grâce à l'effet du cycle de productivité

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The Economist met en exergue avec ce graphique la remontée des profits des entreprises américaines, beaucoup plus liée à un effet coût et au jeu du cycle de productivité qu'à la croissance de la "top line".

Corporate profits in America
The Economist, Dec 2nd 2010

AMERICA'S recession was cruel to capital and labour: both employment and profit margins collapsed. The recovery has been a different matter. Employment has barely grown and unemployment is near its peak, but profits are on a tear. Pre-tax profits were $1.7 trillion, annualised, in the third quarter, just topping their 2006 peak, though as a share of gross domestic income they remain short of a record.

Corporate earnings have benefited from both the return to profitability of the banks and the growing contribution of foreign operations—gross overseas profits now represent a third of the total. Robert Mellman of JPMorgan Chase eliminates the effects of both write-offs and foreign activity by examining only domestic profits as a share of corporate value added. The resulting picture is even starker. After falling to their lowest in over 50 years, profit margins are already back at levels exceeded only well into previous economic expansions (see chart). With the current expansion still young, Mr Mellman reckons profits by this measure are destined to reach their highest level since the 1960s. The V-shaped recovery cannot be attributed to sales: GDP growth has been tepid. The explanation lies with costs. Lower interest charges, courtesy of the Federal Reserve, and lower depreciation, the consequence of an investment drought, have certainly helped.

But most important is firms' iron-fisted approach to hiring and pay. Since the end of 2008 business-sector productivity has grown at an impressive annualised rate of 4.2% while hourly compensation has crept ahead by just 2.1%. Unit labour costs have fallen at an annualised 2% rate, the steepest cumulative decline since the 1950s. Profits owe their V-shape in great part to employment's L-shape.

What are companies doing with all the money they are making? For now, sitting on it. Steve Blitz of ITG, a broker, notes that whereas business investment remains depressed as a share of GDP, net cashflow is near a record high. Firms have also begun to raise dividends after steep cuts during the crisis (mostly by financial companies). Steven Wieting of Citigroup projects that both dividends and share repurchases will rise sharply next year. But he also thinks some of that money will go into hiring. Businesses are producing same GDP as in 2007 with 7.5m fewer workers. That cannot last: "The employment data look a lot like profits did a year ago." Private payrolls grew by a fairly robust 159,000 (or 0.1%) in October, and are expected to have been perky in November too. More jobs mean more income and more consumer spending: in October wages rose at an annual rate of 7%. Capital spending may not be too far behind: Mr Blitz reckons that it lags cashflow by about eight quarters.

Even with the apparent acceleration, however, job creation remains woeful. Mr Wieting of Citi reckons that payrolls would have to grow by 800,000 a month to match the performance of profits, based on their historical relationship. Economists increasingly talk of a "new normal" of weak job growth. If small businesses are nervous about overreaching and sensitive about their access to cash, big firms are increasingly focusing their expansion abroad, not at home. General Electric recently said it planned to invest $500m in Brazil and hire 1,000 people there, and that it would invest $2 billion directly and through joint ventures in China.

Foreign investment need not come at the expense of American jobs, but it makes it harder for American workers to bargain for higher wages when the same job can be done for far less abroad. When General Motors went public last month it boasted of making 43% of its cars in regions where labour costs less than $15 per hour, while in North America it can now pay "lower-tiered" wages and benefits for new, part-time and temporary employees. Employment may be rebounding; labour's share of the economic pie is not.