

# US retail chain J.C. Penney announces over 130 store closures

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25 February 2017

The US retail chain J.C. Penney announced Friday that it plans to close between 130 and 140 of its stores as well as two distribution centers. While the company did not say how many workers will lose their jobs, it did announce early retirement buyouts for 6,000 eligible employees to coincide with the closures.

The downsizing will eliminate approximately 14 percent of the 1,014 stores operated by the company in the US and Puerto Rico. The distribution centers slated for closure are located in Lakeland, Florida, between Tampa and Orlando, and Buena Park, California, southeast of Los Angeles.

The downsizing comes in the wake of a holiday sales season that failed to meet expectations. Sales in the fourth quarter of 2016 fell by 0.7 percent, more than double the rate of decline that had been anticipated.

J.C. Penney is only the latest in a string of clothing retailers and department store chains to announce major closures this year following poor holiday sales. Hundreds of store closures and thousands of job losses are expected this year.

Macy's, which announced 68 store closures and 10,000 layoffs at the beginning of January, recently announced that it would increase the number of store closures to 100. Sears announced last month it is closing 150 Sears and Kmart outlets.

Teen clothing retailer Wet Seal, once a mainstay of shopping malls across the country, announced at the end of January that it would be closing all 173 of its remaining locations, two years after the company filed for bankruptcy, closed 338 stores and fired 3,695 employees. Women's clothing retailer The Limited, another shopping mall mainstay, announced in January the closure of all 250 of its locations and the elimination of 4,000 jobs.

Clothing retailer American Apparel also announced

in January that it would be going out of business, closing all 110 of its remaining stores. The company operated a clothing factory in Los Angeles that will also be shuttered, putting at least 3,400 workers out of a job.

Kohl's, which has so far avoided announcing store closures this year, told investors on Thursday that it was planning to downsize the square footage of 500 of its stores and would seek to lease the vacant space to other retailers.

Retailers and department stores have come under increasing pressure from Internet retailers, including Amazon, which are able to provide clothing and other consumer goods at much cheaper prices. Workers who have seen their wages stagnate or decline over the last decade have increasingly avoided traditional stores and turned to the online outlets.

The closure of the large retailers will have a knock-on effect, since smaller businesses and kiosk operators at malls relied on the large department stores and clothing retailers to draw in customers. Shopping mall-based retail stores Aéropostale, Quicksilver, Pacific Sunwear, Sports Authority and Vestis Retail have all declared bankruptcy in the last two and a half years and closed hundreds of locations.

Abandoned and hollowed out strip malls and shopping malls have become a common sight, blighting the US landscape, particularly in once prosperous working class neighborhoods and suburbs.



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