RadioShack closing 187 more stores

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RadioShack announced that it is closing 187 stores this month, after filing its second Chapter 11 bankruptcy petition Wednesday. Once one of the largest consumer electronics retail outlets in the US, the company had already dropped the number of locations to less than 2,000.

In 2015, RadioShack filed its first bankruptcy reorganization petition. At the time, it ran 5,200 stores across the country. The company, based in Fort Worth, Texas, closed some 2,400 stores that year. Later, a joint venture of Sprint Wireless and hedge fund Standard General acquired RadioShack and operated over three-quarters of its remaining stores.

Some 1,850 employees will lose their jobs when the stores shut down on March 13.

Founded in 1921, Radio Shack was acquired by Tandy Corporation in 1963. In 1977, the TRS-80 microcomputer was marketed by RadioShack and became one of the first personal computers on the market—years before the IBM PC.

The announcement this week by RadioShack coincides with the release by Sears of its fourth quarter financials, revealing a loss of $607 million. According to Standard & Poor's Global Market Intelligence, the retail firm, which owns Kmart, posted losses in all but two of the last 24 quarters. Over the last year, its revenues fell to $6.1 billion from $7.3 billion a year earlier. In January, the company announced the planned closure of 150 stores in February and March.

The office supply retailer Staples announced Thursday that will be closing 70 more stores, reporting a $548 million loss and a 3 percent drop in sales over the fourth quarter.

Over the last month, other retailers have announced store closures as well—Macy's closing 68 stores with 10,000 layoffs and JC Penney closing 140 stores. Women's clothier The Limited announced the immediate closing of all 250 of its retail stores in January, though it will continue online sales. Even more profitable retailers like Neiman Marcus are facing financial crisis. It is restructuring its $5 billion of debt.

Electronics retailer HHGregg is preparing to file for Chapter 11 bankruptcy protection, announcing last week that it will close 88 of its 220 stores and three distribution centers, costing 1,500 jobs.

Among mall retailers, Abercrombie and Fitch announced plans to close 60 stores in 2017 and shoe outlet Crocs will shut 160 by 2018.

So-called brick-and-mortar retailers are under what some financial analysts see as a terminal crisis. Wolf Richter of *Business Insider* described the crisis this way: "Brick-and-mortar retailers, many of them subject to leveraged buyouts during the LBO boom before the Financial Crisis and now burdened with way too much debt, are keeling over one after the other, in a dense wave of debt restructurings and bankruptcies. And creditors are getting skinned."

In addition to the protracted economic decline, another aspect of the closing of retail stores is the predominance of online marketing. More generally, the continued erosion of workers' living standards placed unrelenting economic pressure on the retail markets.

In the automobile industry, GM has shut down the second shift at its Detroit Hamtramck Assembly plant, shedding 1,300 jobs, and has announced this week that it will close the third shift at its Lansing, Michigan Delta Township plant, costing 1,100 jobs.

The February jobs report released Friday by the US Bureau of Labor Statistics shows that the national unemployment rate is slightly lower than one year ago, but these figures don't reflect the character of the jobs being created. The trend to replace relatively good-paying jobs with low-wage jobs has been driven by the Obama administration since the 2008 financial crash.

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