

US “retail apocalypse” expected to exceed annual high with more than 1,100 store closures announced in one day

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Within the first quarter of this year, the number of retail stores set to be closed already surpasses the total number of closures in 2018. Based on information from Coresight Research, more than 6,300 stores are already set to close in 2019. Coresight counted 5,528 closings in 2018 which included the liquidation of hundreds of Toys“R”Us locations in the US, and Kmart and Sears stores.

According to Coresight’s data the record year for retail closures was 2017 with 8,139 closures, but this could be easily exceeded if the current trend continues.

On Wednesday, Charlotte Russe, Family Dollar, Abercrombie & Fitch and Chico’s all announced store closings within 24 hours of each other, accounting for more than 1,100 locations. The series of announcements came one week after JCPenney, Gap, Victoria’s Secret and Tesla announced that they would close retail locations, totaling more than 300 stores.

Drew Myers, senior consultant with real-estate data firm CoStar Group, told *USA Today* that “square footage” or the size of stores is a good indicator when analyzing store closures from a real estate perspective. When taking the size of retail stores into consideration, 2018 was the highest year for store closings during the retail apocalypse, with 155 million square feet of affected retail space. According to Myers, approximately 75 percent of total square footage came from Sears, Kmart, Toys“R”Us and Bon Ton.

Essentially, 2018 was a year marked by closures of larger retail chains with significant numbers of workers made jobless. While this year has only seen 30 million square feet of closures as retailers shutter physically smaller locations it still points to the precipitous trend in retail.

The stores with the largest number of closings planned for this year are as follows:

- Payless ShoeSource plans the closure of all 2,589 of its stores, including 248 Canadian locations and 114 smaller stores in Shopko Hometown locations.
- Gymboree/Crazy 8 announced a total of 729 closings.
- Charlotte Russe’s entire chain of more than 500 stores will close by April 30, but 94 stores from an earlier wave of announcements will be closing first.
- The American mall retailer Things Remembered will shutter 422 locations.
- Ascena Retail will close approximately 400 stores.
- Dollar Tree announced it will close as many as 390 Family Dollar stores and convert about 200 Family Dollar stores into Dollar Tree locations.
- Shopko has announced 251 closures.
- GNC will shut down 233 locations.
- Gap is set to shutter about 230 locations over the next two years.

This process, dubbed the “retail apocalypse,” has devastated North American brick-and-mortar retail stores since 2010. In the aftermath of the 2008 financial crisis, the retail industry has seen a myriad of buyouts, mergers and acquisitions as large and small retailers are forced into bankruptcy or outright liquidation by financial parasites on Wall Street. Major department stores such as JCPenney, Macy’s, Sears and Kmart, long time mainstays of the American retail market, have closed hundreds of stores, and well-known clothing brands such as J.Crew are unprofitable.

Workers have been particularly affected as retailers have resorted to mass layoffs and downsizings and have shifted jobs to low wage labor-intensive distribution

centers to keep up with online retailers such as Amazon and Walmart. Retail stores that have seen some success have resorted to offering more online shopping. E-commerce sales jumped 43 percent at Walmart and 31 percent at Target from the fourth quarter of 2017 to the same period in 2018.

The declining living standards of the working class are feeding directly into the retail apocalypse and mass layoffs of retail workers will only exacerbate the issue. Workers' wages have seen little to no growth in the last four decades, and any economic growth experienced since 2008 has gone to the wealthiest of the wealthy. The vast majority of jobs created since 2008 have been part-time or temporary, and retailers are closing stores in predominantly poor and working-class areas, robbing residents of employment and depriving them of ready access to food, clothing, medicine and other goods.

Studies show that 15 percent of retailers are currently at risk of shutting down and up to 25 percent of American malls could close by 2020, with tens of thousands of people losing their jobs. Retail jobs are continuously fed into massive corporations like Amazon that employ workers in sweatshop conditions and pay them paltry wages. The ongoing crisis in the retail industry is part of an escalation against the living conditions of workers and only spells disaster for the working class.



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