

# Amid mass layoffs across the US, Dollar Tree announces nearly 1,000 Family Dollar store closures

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Discount retail giant Dollar Tree announced Wednesday that it will shutter nearly 970 of its Family Dollar stores across the United States and Canada, as well as 30 Dollar Tree locations, leaving thousands out of work, following what the company calls “years of mismanagement” and “declining profitability” of its stores.

Many of the stores to be closed are located in rural areas and impoverished towns and cities. The Family Dollar chain has 8,000 stores in the US and Canada and is owned by Dollar Tree, one of the largest discount chains of its kind. In many areas of the country, a Family Dollar store represents the only option for groceries and other goods, with larger supermarkets several hours’ driving away.

Announcing the closures in a press release, Dollar Tree stated, “As a result of this review, we plan on closing approximately 600 Family Dollar stores in the first half of fiscal 2024. Additionally, approximately 370 Family Dollar and 30 Dollar Tree stores will close over the next several years at the end of each store’s current lease term.”

Family Dollar has lost ground to rival retailer Dollar General, whose prices are 10 to 15 percent lower. Following the COVID-19 pandemic, many youth and workers that form the majority of Family Dollar’s shoppers have been impacted by record-high inflation, which has seen prices for housing, food, gasoline, and other living costs skyrocket, resulting in a decline in spending.

Higher prices, taken together with jobs paying lower wages that have not kept pace with inflation, have left many youth and workers struggling to survive, leaving many to choose between forgoing payment of one

necessary bill to pay another. Workers’ livelihoods have been further stressed by the Federal Reserve’s high interest rate policy which is aimed at fueling job cuts and suppressing wage growth.

Dollar Tree acquired Family Dollar in 2015, in what then CEO Bob Sasser called a “transformational opportunity,” referring to the potential profits to be amassed by investors.

At the time of the acquisition, Dollar Tree’s executives saw an opportunity to edge out rival discount chain Dollar General, which in 2015 operated more than 12,000 stores, compared to Dollar Tree’s over 13,000 stores.

The expansion for both retailers over the intervening years has exploded. In 2022, Dollar General operated over 19,000 stores compared to Dollar Tree’s more than 16,000 locations, including its Family Dollar locations.

The acquisition, brokered by Wall Street bank JP Morgan Chase and investment firm Morgan Stanley, saw Dollar Tree’s profits soar from \$2.7 billion in 2014 to \$5.4 billion in 2015. In 2023, Dollar Tree opened 641 new stores and saw its profits balloon to more than \$9.3 billion.

Perhaps not coincidentally, the news of the mass store closings come after Family Dollar was ordered February 27 to pay a \$41.6 million fine by US District Court for the Eastern District of Arkansas, for storing food, cosmetics, medicine, and other products in a rat-infested warehouse, leading to scores of temporary closures of stores around the country.

Pleading guilty to one misdemeanor count of debasing FDA-regulated products by holding them in unsanitary conditions, the retail giant confirmed that for

a number of years preceding January 2022, the company shipped products to more than 400 stores in the Southeastern US from its filthy Arkansas warehouse.

Federal investigators found the warehouse contained both live and dead and decaying rodents, as well as rodent feces and urine. The investigators additionally documented several instances of gnawing and nesting across the warehouse.

In spite of this corporate malfeasance, Dollar Tree CEO Rick Dreiling boasted to the media, “While we are still in the early stages of our transformation journey, I am proud of what our team accomplished in 2023 and see a long runway of growth ahead of us. As we look forward in 2024, we are accelerating our multi-price rollout at Dollar Tree and taking decisive action to improve profitability and unlock value at Family Dollar.”

This week’s announced closures represent the beginning of the end that Dollar Tree intends for Family Dollar, to slowly grind down its troubled subsidiary for as much profit as possible. In this, Dollar Tree is functioning much like a vulture capital firm that preys on a troubled company to bleed it dry of funds, then discarding the carcass.

The mass closures of stores follow a wave of layoffs and closures of other companies across the United States.

UK-based beauty products retailer The Body Shop closed all of its US stores on March 1, as well as 33 of its locations in Canada, after the distressed company collapsed and necessitated administration proceedings in London. The collapse of the company has led to hundreds of workers losing their jobs.

Additionally, Outdoor Voices, an Austin Texas-based athletic apparel retailer, announced the closure of all 16 of its stores located across the US on Sunday, declaring the company was moving its retail business entirely online.

After expressing shock, workers told media the company suddenly fired them via an internal Slack message. Speaking to *USA Today*, workers said they were offered no compensation or severance. After the company relented, store managers were offered a \$500 bonus to work through the weekend, with one stating, “It’s like a slap in the face.”

Amid the growing wave of store closures are the

ongoing mass layoffs across all economic sectors in the US and internationally, constituting nothing less than a jobs massacre conducted by the corporate oligarchy.

In the first weeks of 2024, 25,000 workers in the tech sector were summarily laid off, including workers at Google, Meta, and Amazon. The job cuts followed the devastating loss of 260,000 tech jobs in 2023, the worst mass layoffs since the dotcom bubble burst in the early 2000s.



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