

If you spent your childhood anywhere from the United States to France to Spain to Hong Kong, it is likely that you remember at least one visit to Toys R Us, the massive kid's toy chain store with its bright and bold sign. You may remember running up and down the aisles, looking at all the exciting offerings from dolls to bikes to Legos.

Toys R Us opened its doors in the 1950s. By the 1990s, it was the biggest toy seller in the United States. Because the store focused on just one type of product -- toys-- it was able to quickly become the most popular destination. In fact, many smaller toy shops went out of business because they could not compete with the huge selection and low prices of Toys R Us.

But from now on, children around the world will be purchasing their toys elsewhere. Toys R Us has officially closed all of its U.S. stores. It is out of business.

Money, Money, Money

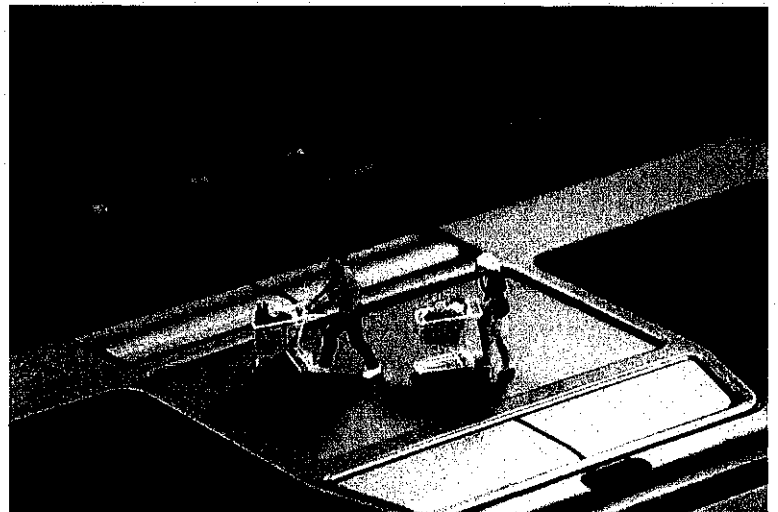
The closing of Toys R Us is newsworthy for a few different reasons. This shutdown will have a big economic **impact**. It also shows us an example of how American shopping trends are changing.

Toys R Us closed because it had a lot of

debt. This means that the store had borrowed money and was having trouble paying it back. They owed 5 billion dollars. This is because the store was struggling financially.

One reason Toys R Us struggled was because of larger companies like Amazon and Walmart. In recent years, many customers stopped shopping at Toys R Us because they were able to find cheaper prices and free shipping online. In fact, the number of toy sales made online has doubled in the past five years.

Because Toys R Us owed so much money, they were not able to spend money on improvements to their stores. They were not able to create a better online shipping system that could compete with Amazon, pay their workers better wages, or update their stores.



Oh, Baby!

When Toys R Us announced their decision to close their U.S. stores, they talked about competition with Amazon and Walmart. However, they also talked about the declining birth rate in the United States. They explained that their products are made for babies and small children, and in recent years fewer babies are being born in many countries around the world.

For the past decade, birth rates have been dropping. Some think this may be a result of an event called the **Great Recession** that occurred in 2008. The Great Recession was a time of economic struggle and high unemployment in the United States and around the world. Many people lost their jobs, their homes, and their retirement savings. This event may have made people become more cautious about having children.

Birth rates have dropped much more for families in their 20s than families in their 30s.

This suggests that people are also waiting until a later age to have children. This may be a result of changing gender roles-- more women are choosing to focus on building their careers before starting a family.

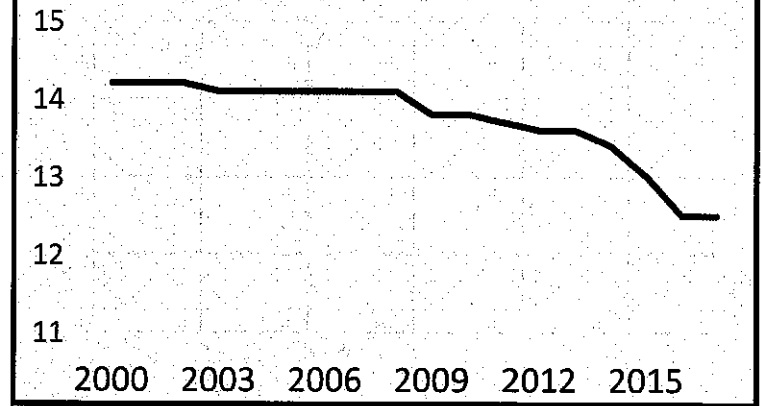
If birth rates continue to drop, there will be economic impacts far beyond the closure of one big toy store. Many companies will have to change their approach to meet the needs of an older population.

Regardless of the reasons for closing, the closure of Toys R Us will have a big impact



U.S. Birth Rates

(births/1,000 population)



Birth rates in the U.S. have been declining since 2008.

Source: CIA World Factbook

on families. The store employed 60,000 people worldwide, and 30,000 just in the United States. All these workers will need to find new jobs. The more people without jobs, the more competition there is for the jobs that do exist. Also, when people don't have jobs they are less likely to buy new things for themselves. This hurts the economy, or the

money system, of their country because now other stores are making less money.

Play On!

On its website, Toys R Us posted this message to its customers:

Thanks to each of you who shared your amazing journey to (and through) parenthood with us, and to every grandparent, aunt, uncle, brother, and sister who's built a couch-cushion rocket ship, made up a hero adventure, or invented something gooey. Promise us just this one thing: Don't ever grow up. Play on!!

Comprehension Questions

Answer each question on the line provided.

1. Where did Toys R Us have stores?

2. What kind of company is Toys R Us?

3. Why weren't other similar companies able to compete with Toys R Us?

4. How did the company struggle?

5. What is a factor that made the company struggle?

6. The article gives the names of two retailers that were able to compete well against Toys R Us. Who are those retailers?

7. Because Toys R Us was in debt, what were they unable to do?

8. What event in history is credited for a drop in birth rates?

Finding Text Evidence

Find each piece of text evidence in the article and highlight OR underline it with the color specified.

For items 1-4, you'll be citing textual evidence to support what the text says explicitly.

1. Find the sentence that explains how Toys R Us was able to quickly become the most popular destination for toys and highlight it in **blue**.
2. Find the sentence that defines the word **debt** for the reader and highlight it in **green**.
3. Find the sentence that explains why Americans became more cautious about having children. Highlight it in **purple**.
4. Find the sentence that tells how many people lost their jobs when Toys R Us closed. Highlight it in **gray**.

For items 5-8, you'll be citing textual evidence to support inferences drawn from the text.

5. Find a sentence that shows the reader (**you**) why you can probably connect to this article. Highlight it in **orange**.
6. Find the sentence that tells the reader **how** American shopping trends are **changing**. Highlight it in **red**.
7. Find the sentence that provides **evidence** that Amazon is doing well in selling toys and highlight it in **yellow**.
8. Find the sentence that explains why other companies should worry about the declining birth rates around the world and highlight it in **pink**.

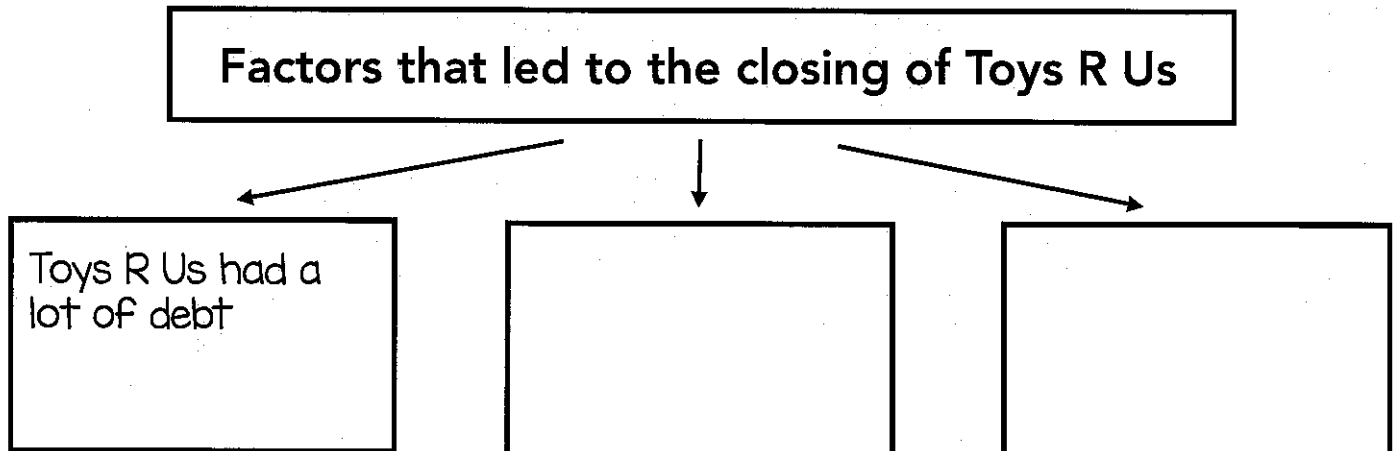
Main Idea & Details

Use the article to answer the questions and complete the graphic organizers.

1. What was the **main idea** of the entire article? Write it in the box below.
2. What are the names of the subheadings in the article? Write them on the lines provided.
3. What is the first subsection mostly about? Write it in the space provided.
4. What is the second subsection mostly about? Write it in the space provided.

Toys R Us: The End of an Era	
(1)	
(2a) _____ (3) _____	(2b) _____ (4) _____

5. According to the article, what factors led Toys R Us to close their doors?

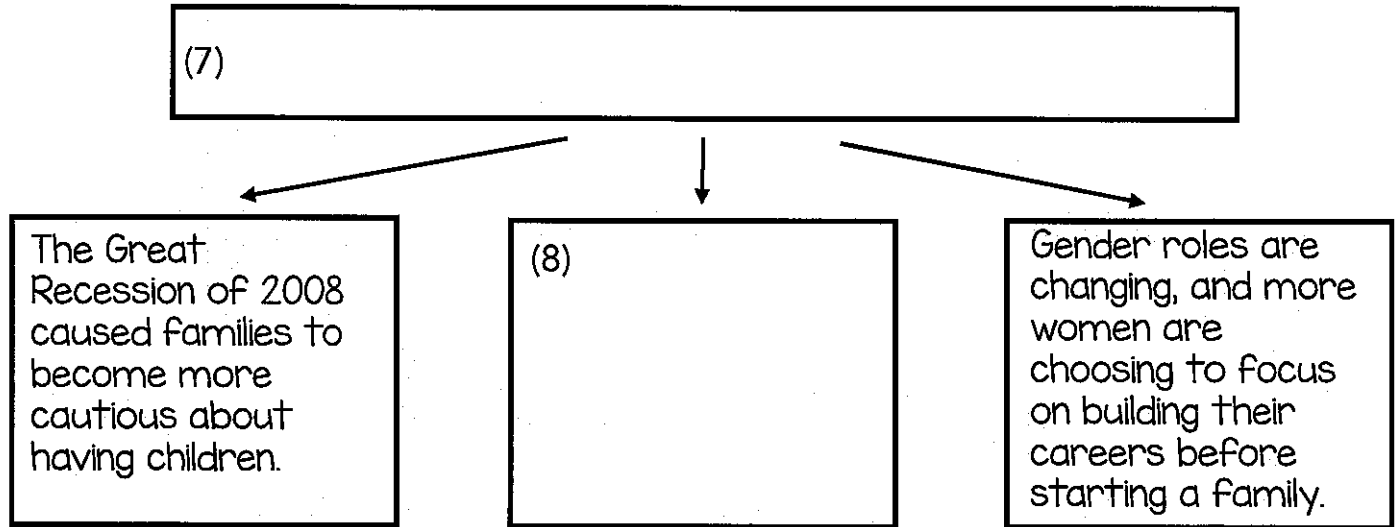


6. Look at the graph on the second page of the article. Which statement from the article does the graph support? Circle your answer.

If birth rates continue to drop, there will be economic impacts far beyond the closure of one store.

For the past decade, birth rates have been dropping.

7. In the graphic organizer below, two details are provided. Think about the idea that these two details support and write it in the space provided.
8. Now, find one more detail that supports this idea.



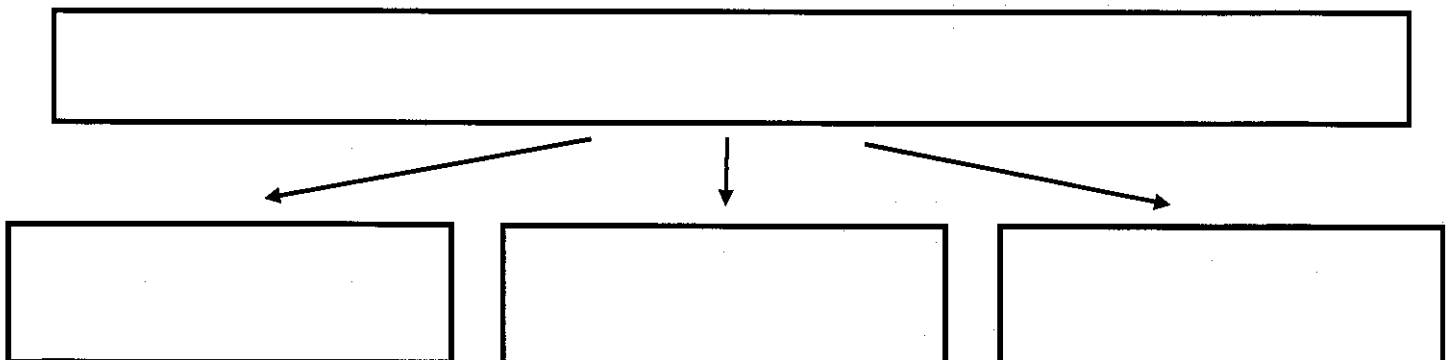
Re-read this paragraph from the article.

Because toys R Us owed so much money, they were not able to spend money on improvements to their stores. They were not able to create a better online shipping system that could compete with Amazon, pay their workers better wages, or update their stores.

9. What is the main idea of this paragraph?

10. List three details from the paragraph that support this idea.

11. Now, fill in the graphic organizer below with your answers from questions 8 and 9 above.



Integrate Information

View the CNBC video clip, "The Rise and Fall of Toys R Us. Then, answer these questions. Review the clip as needed.

1. As you view the video clip, identify three details that are included in the video clip that are not in the article and write them in the left column. Then, identify three details that are in both the video clip and the article and write them in the right column.

New Details

Common Details

2. The video clip mentions two other other retailers who also filed for bankruptcy in 2017. Name those retailers. Then, briefly discuss at least two reasons why you think those companies likely found themselves in trouble. *Hint: Use the information you learned about Toys R Us in the article and the video clip.*
