

Toys R Us is bankrupt and is closing its doors forever. Let's talk about what happened...

Generations of children and parents have brought their favourite toys at the largest toy store chain in the world, Toys R Us.

Who came up with this brilliant idea to create a supermarket dedicated only to toys?

Charles Lazarus started the shop in 1948, to sell baby furniture. He then realised the real opportunity was in toys, not in furniture, and changed his business model. In 1957, he launched the first supermarket that was dedicated to selling all kinds of children's toys.

His success grew and he was able to transform the toy business. Toys R Us eventually had 800 stores in the US and almost 800 stores internationally!

Soon every parent and child was humming to "I don't want to grow up, I'm a Toys R Us kid." Every kid wanted to be in the toy store too. The flagship store at Times Square, New York City had a giant ferris wheel in it, a gigantic T-Rex that roared and bellowed, and a life-size Barbie dream house in it!

Why is Toys R Us in the news these days?

- In September 2017, the company was unable to pay its bills and filed for bankruptcy.
- In March 2018, Toys R Us declared it will be closing stores in the UK and US, leaving 300,000 employees without jobs.
- A week after declaring this bankruptcy, Charles Lazarus passed away at the age of 94.

What is bankruptcy? It is the legal status of a person or company when they have borrowed money but cannot repay it.

After a company files for bankruptcy, it can get financial aid (money) from the US government to get back on its feet, if it follows strict rules and regulations.

Why did Toys R Us go bankrupt if it was so successful?

- **Debt:** The company had borrowed \$5 billion which was too large a debt for them to repay.
- **Change in the way people buy toys:** More and more people are buying toys online at their own convenience rather than going into stores. They also sometimes get a better deal online.
- **Demand for toys is changing:** Children are buying fewer toys and playing more computer and video games.
- **New competition** from online retailers such as Amazon.com Inc. and from the rise of Wal-Mart Stores Inc., which overtook Toys R Us in U.S. toy sales in 1998.

All isn't lost - you can help to save Toys R Us! Check out the 'Help Save Toys R Us' campaign

DON'T LET THE LIGHTS GO OUT FOR THE NEXT GENERATION OF

Toys R Us KIDS

**DONATE NOW
TO HELP
#SAVETOYSRUS**

A billionaire toy maker who sold his products through Toys R Us has launched public crowdfunding campaign to save parts of the retail chain.

He has set up a GoFundMe campaign to raise \$1 billion to save the retail chain - #SaveToysRUs.

What is a crowdfunding campaign? It is a project to raise money from a large number of people who each contribute as much as they are able, even with amounts as low as \$5. This is typically via the Internet.



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