

Double Exposure

*Retail workers nationwide hammered by
the combo crisis of pandemic and private equity*



Double Exposure: Retail workers hammered by combo crisis of pandemic and private equity

Table of Contents

<i>Executive Summary</i>	1
<i>Introduction</i>	4
<i>Predatory private equity practices shattered retail chains</i>	5
Leveraged buyouts burden retailers with unsustainable debt loads:.....	6
Extracting debt-funded dividends enrich private equity firms but imperil retailers:	6
Requiring retailers to pay exorbitant fees:.....	7
Siphoning away valuable retail real estate:	7
Stripping out other valuable assets:	8
<i>Private equity takeovers led to widespread retail bankruptcies</i>	8
<i>Before the pandemic, private equity-owned retailers cut over 540,000 jobs</i>	10
<i>Over 215,000 jobs at private equity-owned retailers vulnerable during pandemic</i>	11
<i>Women and people of color hit hardest by private equity layoffs</i>	12
<i>Conclusion and Recommendations</i>	14
<i>Methodology</i>	15
<i>Appendix: Private equity-owned retailers by net job losses from takeover to February 2020</i>	16
<i>Endnotes</i>	21

Americans for Financial Reform Education Fund (AFREF) is a nonpartisan, nonprofit coalition of more than 200 civil rights, community-based, consumer, labor, small business, investor, faith-based, civic groups, and individual experts. We fight for a fair and just financial system that contributes to shared prosperity for all families and communities.

www.ourfinancialsecurity.org

Popular Democracy in Action and its affiliates know that everyday people have the power to change the world. We upend politics as usual to forge a representative, multiracial government and society where we all thrive, no exceptions.

www.populardemocracyinaction.org

United for Respect (UFR) is the largest non-profit organization fighting to elevate the voices and experiences of working people in retail, including those who worked at private equity-controlled retailers such as Toys R Us, Sears/Kmart, ArtVan, Shopko and others. UFR is also working with essential frontline workers at PetSmart and Petco to hold their private equity owners publicly accountable to the health, safety and well-being of their employees, and to ensure that workers are protected in the event of a bankruptcy.

<https://united4respect.org/>

Copyright © 2020 by Americans for Financial Reform Education Fund.

Acknowledgments: This report was researched and written by Patrick Woodall and Oscar Valdés-Viera of AFREF with editorial guidance from Maggie Corser and Charles Khan of CPD and Bianca Agustin and Eddie Iny of UFR. Cover photo credit Amanda Marmor of UFR.



Executive Summary

Private equity has had a disastrous impact on the retail industry, driving dozens of firms into bankruptcy, shutting down tens of thousands of stores, and costing hundreds of thousands of jobs nationwide. These layoffs upend the already fragile economic security of the low-paid and often Black and Brown women who work in retail. Private equity retail shutdowns also undermine local economies when retailers large and small disappear, compromising the future of shopping centers and eroding local sales and business tax revenues.

Private equity is an especially predatory type of Wall Street investment firm that has taken

over scores of national and regional retail chains. The private equity business model poses considerable risks to retailers and workers. Private equity relies on extractive financial engineering — including imposing high-debt loads from leveraged buyouts, wringing out value in fees and dividends, and stripping out real estate assets — that impose severe burdens on the retail takeover targets.

The private equity-owned retailers have often collapsed into bankruptcy as they are unable to service the large debt loads. While the private equity firms and executives walk away largely unscathed or even profiting from the deals that led to the retailer's collapse, hundreds of thousands of women and people of color in frontline retail jobs have lost their

livelihoods, often with no severance and no recourse.

The Coronavirus pandemic is exacerbating the headwinds challenging the brick-and-mortar retail industry, but the extractive private equity business model compromised the economic viability of retailers long before the pandemic. Changing consumer tastes and online and big box retail competition have created difficulties for the retail industry, but what has been called the “retail apocalypse” over the past few years has been driven largely by the collapse of private equity-owned retailers. Private equity-backed retailers have accounted for a substantial portion of retail bankruptcies before and after the pandemic.

These private equity-driven bankruptcies and jobs losses have hit every state. This analysis estimates state-level retail store job losses from 65 private equity-owned retailers where state store locations were identifiable at the time of private equity takeover and in February 2020, just before the pandemic, and found widespread job losses in every state.

The pandemic has added fuel to the already well-fed fire created by private equity greed and added new uncertainties for the millions of women and people of color who work at these retailers. The twin crisis has left these retailers uniquely ill-equipped to weather 2020’s economic downturns due to the mismanagement and heavy debt loads imposed by private equity firms.

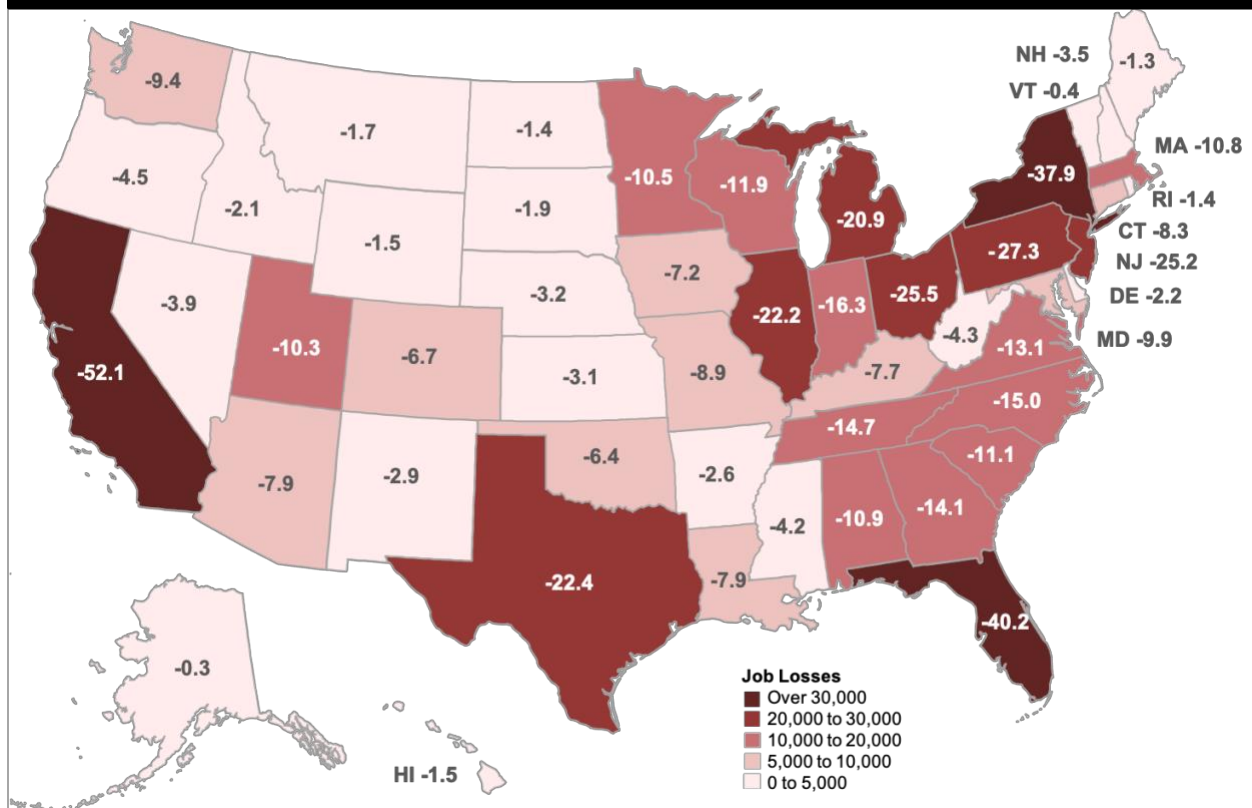
Many private equity-owned retail chains that have disappeared over the past two decades caused devastating layoffs across the country — like the failures of Payless Shoes, Toys R Us, and the downsizing of Sears/Kmart. Other private equity-driven failures have destroyed popular regional chains like A&P (Northeast), Fred’s (Southeast and Midwest),

Mervyn’s (West and Southwest), and Shopko (Midwest to West). Over one-third (26 of 65) of the chains covered in this analysis taken over since 2003 had disappeared by February 2020.

Key findings include:

- **Private equity has been a driving force in retail bankruptcies:** More than half (55.4 percent) of retail bankruptcies since 2015 were at private equity chains. Before the pandemic, from 2015 to 2019, nearly two-thirds (62.5 percent) of retail chains that entered bankruptcy were owned by private equity firms. During 2020, when the pandemic drove a broader retail downturn, nearly two out of five (39.3 percent) of bankruptcies were at private equity-owned chains.
- **Private equity-owned retailers had slashed over half a million jobs before the pandemic:** They cost nearly 542,000 jobs and closed nearly 18,000 stores by February 2020. Total job losses were substantial and widespread with more than 10,000 jobs lost in 20 states and more than 30,000 jobs lost in California, Florida, and New York (see Map 1 on page 3).
- **These job losses disproportionately hit women and people of color:** Low-wage retail jobs are often the only ones available to marginalized and oppressed communities and are predominantly held by women and people of color. An estimated 300,000 women, 101,000 Latinx, and 68,000 Black workers lost their jobs at private equity-owned retailers based on their share of the retail workforce.

Map 1: State private equity job losses through February 2020
(in thousands)



- Private equity retail job destruction was nearly quadruple job creation:** Although some private equity chains added jobs through mergers or expansions, these gains were swamped by the job losses (542,000 jobs lost compared to 145,500 jobs added).
- Private equity-owned retailers had net job losses of nearly 400,000:** The private equity-driven retail failures and downsizing caused a net job loss of 396,300 by February 2020, even accounting for the more modest job growth at private equity retailers. Most states had substantial net private equity retail job losses. Seven states had private equity-owned retail net job losses of 20,000 workers (Florida,

California, Ohio, New York, Pennsylvania, New Jersey, and Illinois).

- Precarious private equity-owned retailers employed over 215,000 workers as the pandemic broke:** As the pandemic unfolded, twelve of the private equity-owned chains were at risk of collapse and some went into bankruptcy, such as J. Crew, Neiman Marcus, and Guitar Center. There were more than 215,000 workers at these 12 chains at heightened risk of job loss in 2020. Some of these workers may have already lost their jobs as retailers shutter locations or reorganize during the bankruptcy process. Thirteen states have more than 5,000 workers at vulnerable private equity-owned retailers — four

states (California, Florida, North Carolina, and Texas) have more than 10,000 workers at these precarious retailers.

Private equity's predatory practices have had a devastating impact on the retail industry, its workers, and the communities where these stores have disappeared. Today, private equity firms are poised to buy up even more chains as the pandemic wreaks havoc in the retail sector, deploying their amassed wealth to takeover troubled retailers at bargain basement prices.

Introduction

Over the past 15 years, private equity firms have bought scores of retail chains. Private equity firms are Wall Street investment houses that take advantage of tax and regulatory loopholes to deploy risky financial engineering to take over companies like retailers. By March 2020, global private equity firms controlled \$5.7 trillion in assets, including about 65,000 portfolio companies worldwide.¹ The extractive and predatory practices of the private equity industry can undermine the viability of the firms they take over, threatening the livelihoods of workers and the economic vitality of communities.

The negative impact of private equity takeovers has been especially pronounced in retail, where they have led to major bankruptcies, collapses, and shutdowns, like those of Toys R Us and Payless ShoeSource. The private equity industry claims that it brings investment dollars and managerial expertise to salvage floundering companies and restore profitability. But the strategies private equity uses to take over firms frequently overburden the target firms with debt and extract too much value for the target companies to survive.

While the retail industry faced challenges prior to the pandemic, especially competition from online giants like Amazon and big box stores, private equity-owned retailers fared worse. Private equity-owned retailers have been too burdened by debt to make the necessary investments to cope with the changes in the retail sector.² Amazon and Walmart and other giants had been major retail competitors for years before private equity began to prey upon retail chains, and non-private equity retailers were less likely to collapse. Nearly two-thirds of the retail bankruptcies from 2015 through 2019 were at private equity-owned retailers.³ The *Business Insider* wrote in 2017 that “nearly every retail chain caught up in the brick & mortar meltdown is an LBO queen — acquired in a leveraged buyout by a private equity firm.”⁴

The pandemic has upended the already precarious retail sector because of social distancing and zero-touch requirements or preferences.⁵ Private equity-owned chains may be especially vulnerable because their higher debt loads leave them with fewer resources and options during the public health and economic crisis.

While private equity-owned retailers face significant pandemic headwinds, the private equity industry is poised to profit from the pandemic by buying distressed companies and assets, often at substantial discounts as a result of the economic downturn. In late 2020, private equity firms had \$1.5 trillion in what the industry calls “dry powder” available to invest in more buyouts.⁶ McKinsey & Company reported that “private equity firms are already adapting — looking both for ways to salvage adversely affected parts of their portfolios and for new bets that emerging trends could support.”⁷

Private equity firms are already aiming to buy up firms to get a deal during the economic crisis. Private equity firms spent \$423.2 billion buying over 3,400 portfolio firms in the first nine months of 2020.⁸ This includes pursuing retail companies. Sycamore Partners tried to use a leveraged buyout to purchase the distressed J.C. Penney in 2020, but Penney's rejected the bid because Sycamore was unwilling to make a substantial investment in the retailer.⁹ In November 2020, LionRock Capital took a majority stake in the global shoe retailer Clarks, which has 200 stores in the United States.¹⁰

Predatory private equity practices shattered retail chains

Private equity firms extract value from their portfolio companies through financial tricks that enrich the private equity owners but leave the retail chains on shaky ground; vulnerable to collapse, bankruptcy and liquidation that have cost hundreds of thousands of families their jobs and economic security. Private equity firms take advantage of tax and legal loopholes as well as regulatory blind spots to rapidly siphon profits and value away from their portfolio companies while dodging responsibility for the damage or repaying the debts they forced onto the retail companies they buy.

The predatory practices of private equity firms include imposing huge debt burdens through leveraged buyouts, extracting exorbitant management fees, lading on debt-financed dividend payments, and asset stripping that undermine the financial viability of the retail chains. The private equity managers rarely have had retail sector experience and the firms failed to make necessary investments to sustain the retail chains through the rapidly changing retail environment.



Before the pandemic, private equity-owned retailers struggled under the debt and other economic burdens imposed by their owners — many private equity-owned chains collapsed. Even when sales revenues remained steady or even increased, the costs of servicing the debt, paying fees, and the cost of paying rent when real estate was stripped out of retail chains prevented the retailers from covering the private equity-imposed expenses. This pushed the chains into financial trouble, downsizing, bankruptcy and liquidation. These private equity-driven retail failures have cost hundreds of thousands of jobs across the country.

The impact of these predatory practices has made the financial prospects of many private equity-owned retailers even more precarious during the pandemic. The lack of investment and severe financial constraints imposed by the private equity firms have made it harder for private equity-owned retailers to survive



Photo CC-BY-SA © Mike Kalasnik/commons.wikimedia.org

the seismic economic and public health impacts of the pandemic. The people of color and women working at these retailers are bearing the brunt of this precarity and already face enormous economic hardship.

Leveraged buyouts burden retailers with unsustainable debt loads: Private equity firms use leveraged buyouts to takeover companies that burden the target firms with often unsustainable debt loads that can — and often do — imperil the finances of portfolio companies and even drive them into bankruptcy. Private equity takeovers rely on substantial amounts of debt to finance the leveraged buyouts that are the “core of the business,” according to *Businessweek*.¹¹ Essentially, the private equity firm requires the target firm to borrow the money to finance the takeover. The company being acquired — not the private equity firm — is responsible for repaying the debt.

The initial debt burden from these leveraged buyouts has been the precipitating factor that drove many private equity-owned retailers into bankruptcy. In 2005, private equity firms

Bain Capital, KKR, and Vornado Realty Trust bought Toys R Us in a \$7.5 billion leveraged buyout that burden the beloved retailer with over \$5 billion in debt.¹²

Although the company’s sales remained fairly steady (about \$11 billion annually before and after the takeover), its debt payments consumed almost all of its operating income (97 percent in 2007) making it impossible to make necessary investments into the chain in a difficult retail environment.¹³ The debt burden capsized the retailer and it slid into bankruptcy, ultimately shuttering all its stores in 2018 putting 33,000 total Toys R Us workers out of a job.¹⁴ Private equity-owned retailers have struggled under substantial debt burdens that have added substantial operating costs that made it harder for retailers to survive even before the pandemic.

Extracting debt-funded dividends enrich private equity firms but imperil retailers: The private equity firms often require the target companies to take on more debt to pay a dividend to the private equity firm, known as dividend recapitalization.¹⁵ According to *Bloomberg* “buyout firms

routinely extract large sums for themselves after taking companies private.”¹⁶ The private equity firm gets instant cash, but additional debt loads can damage portfolio firms’ credit ratings and even contribute to bankruptcies.¹⁷

Private equity dividend recapitalizations actually have increased during the pandemic. Dividend payouts to private equity firms were at record levels and were estimated to reach \$6 billion in September 2020 alone.¹⁸

Private equity owners have sucked out huge debt-financed dividends from their retail chains. The two private equity firms that bought Payless Shoes paid their own firms \$700 million in dividends between 2012 and 2013, but Payless slid into bankruptcy and closed all of its stores by 2019 largely because of its crippling debt load.¹⁹ In 2011, TPG Capital and Leonard Green & Partners bought J. Crew in a \$3 billion leveraged buyout.²⁰ The private equity firms subsequently forced J. Crew to borrow another \$787 million to fund dividend payments.²¹ Although the pandemic worsened the company’s struggles, the private equity-imposed debt loads and financial engineering made J. Crew’s May 2020 bankruptcy almost inevitable — putting J. Crew’s more than 14,000 workers at risk of losing their jobs.²²

Requiring retailers to pay exorbitant fees: Private equity firms actually charge their portfolio firms high fees for their purported management expertise. Management fees alone generated tremendous income for private equity firms. *Bloomberg* reported that fees generated a “geyser of profit” and calculated that Blackstone received \$2.46 billion in management fees and Apollo received \$1.12 billion in fees in 2016.²³ Cerberus Capital Management extracted nearly \$350 million in fees from Albertsons-Safeway (along with jacking up its debt load to

\$8.6 billion).²⁴ Between 2011 and 2019, J. Crew paid \$84.8 million in management fees to Leonard Green and TPG.²⁵

Siphoning away valuable retail real estate: Private equity firms often strip valuable assets out of the firms they purchase, primarily selling or shifting real estate into other subsidiaries controlled by the private equity firm. The private equity industry has targeted retailers in large part because of their valuable real estate. The private equity firms separate the real estate assets from the retail chain, moving the store real estate into another company (often held by the private equity firm) and forcing the chain to pay monthly rent on properties it formerly owned adding significant new operating costs on the retailer.

After Sun Capital bought the department store chain Shopko in a leveraged buyout, it sold off its real estate for \$800 million and forced the chain to lease-back its formerly owned real estate. The added rent costs helped drive the store into liquidation that closed 363 stores and destroyed over 20,000 jobs.²⁶ The three private equity firms that bought the West Coast department store Mervyns in 2004 shifted all of the store real estate into another shell company and then nearly doubled the rent and the added financial burden (on top of \$1.2 billion in debt from the leveraged buyout and dividend payments) drove the chain into bankruptcy that cost 18,000 jobs.²⁷ In 2005, K-Mart (backed by Eddie Lampert’s ESL Investments) bought Sears.²⁸ In 2015, as Sears struggled, it shifted 200 stores’ real estate into a separate company (chaired by Lampert); the transaction purportedly undervalued the Sears’ real estate by hundreds of millions of dollars and imposed expensive leases for Sears to rent back its formerly owned real estate.²⁹

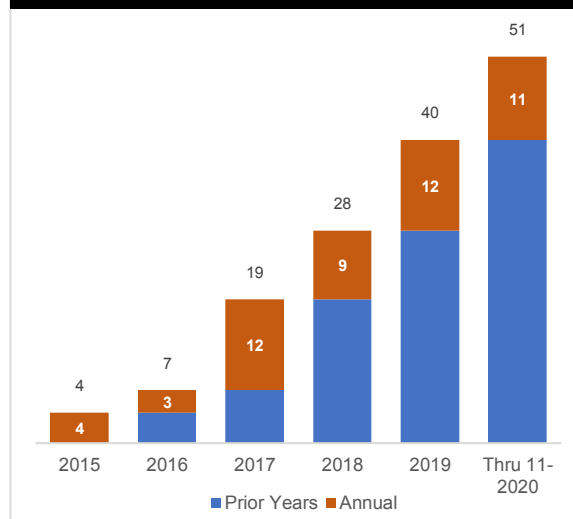
Stripping out other valuable assets:

Private equity firms also siphon away other valuable assets from their portfolio companies, like brands or e-commerce platforms. These asset transfers weaken the retailers, enrich the private equity investors, and insulate the private equity firms from efforts to recover money for workers or other investors during bankruptcy proceedings. For example, even as Sears struggled, ESL Investments sold off some of Sears' more valuable brands including Lands' End in 2014 and Craftsman Tools in 2017.³⁰ Sears went into bankruptcy in 2018, but these assets that could have shored up the chain were gone — and ELS still had a controlling stake in the then-separate Lands' End after Sears has slid into bankruptcy.³¹

Two recent retail bankruptcies were likely accelerated by private equity cannibalizing valuable assets from retailers. In 2016, private equity-owned J. Crew announced it was transferring its intellectual property (essentially the J. Crew family of trademarked brands) to a newly formed unrestricted Cayman Islands subsidiary.³² The offshoring shielded these assets from any attempt to recover losses by investors or workers; the company subsequently took out a \$300 million loan against the value of the J. Crew brand which it mostly used to repay the private equity firms TPC and Leonard Green for their initial stake in the leveraged buyout.³³

In 2013, Ares Capital Management and the Canadian Public Pension Investment Board bought the Neiman Marcus Group in a leveraged buyout leaving the retailer saddled with over \$5 billion in debt.³⁴ It subsequently bought the booming German online retailer MyTheresa that explicitly allowed the private equity owners to shift MyTheresa into other subsidiaries.³⁵ In 2018, Neiman Marcus moved the e-commerce platform into another company held by Ares and CPPIB without requiring *any* payment although it

Fig. 1: Private equity retail bankruptcies
(2015-2020, cumulative and annual)



was estimated to be worth about \$1 billion, essentially giving it away to the private equity owners.³⁶ By the time the pandemic struck, Neiman was overburdened with debt and shorn of valuable assets making it harder for the retailer to survive.³⁷ While the private equity firms extracted billions of dollars in value out of Neiman Marcus, an estimated 2,300 working people lost their jobs between the 2013 PE purchase and 2019;³⁸ another 14,000 remaining and currently furloughed workers could lose their jobs as the retailer slid into bankruptcy in 2020.³⁹

Private equity takeovers led to widespread retail bankruptcies

Private equity-owned retailer bankruptcies and liquidations cost working people their jobs, benefits, severance payments, and retirement security. Private equity-owned firms are more likely to go into bankruptcy and private equity retailers make up the majority of retail bankruptcies. A 2019 California Polytechnic State University study found that 20 percent of the firms taken over by private equity went into bankruptcy — a rate ten times higher than the non-private equity firms.⁴⁰

The higher risk of bankruptcy for private equity owned firms has been especially damaging in the retail sector and for hundreds of thousands of people that work at private equity-owned retailers. Private equity has been behind many major retail bankruptcies including at Toys R Us, Payless, A&P and more.⁴¹ Private equity had already driven the majority of retail sector failures before the pandemic. Since 2015, there have been more than 50 private equity-owned retail bankruptcies (see Figure 1 on page 8) and more than half (56 percent) of retail bankruptcies were at private equity chains.⁴²

Many of the largest private equity retail disasters from bankruptcy and other management failures cost tens of thousands of jobs. This analysis looked at 65 private equity-owned retail chains over the past two decades and estimated the change in the number of retail store workers (see Appendix

at page 16 and methodology at page 15). It estimates that Sears Holdings (including Kmart) had 200,000 fewer retail store workers in February 2020 than when it was taken over by ESL partners in 2005. Other private equity driven bankruptcies and liquidations cost more than 20,000 retail store jobs each at A&P (35,000), Toys R Us (27,000), Mervyns (27,000), Radio Shack (24,700), Payless ShoeSource (21,000), and ShopKo (20,500). These collapses have had a disproportionate effect on women and people of color who make up a large share of workers in the lowest-paid retail jobs.

Before the pandemic, the industry was already in the midst of what has widely been called a “retail apocalypse,” and it was driven by private equity. From 2015 to 2019, nearly two-thirds (62.5 percent) of retail firms that went into bankruptcy were owned by private equity.⁴⁴ Since the pandemic, a broader swath of retailers has been severely impacted by the public health and economic crisis but private equity retailers still constituted a sizable 39.3 percent of retail bankruptcies during the first 11 months of 2020 (see Table 1).

Private equity has slashed hundreds of thousands of retail jobs and it also has severely undermined the economic security of the families who lost employment. Many of these working people were pushed out with little notice and little or no severance. The private equity owners of several retailers, including Sears and Marsh Supermarkets, walked away from their pension obligations to workers who had contributed to their pension plans for years.⁴⁵

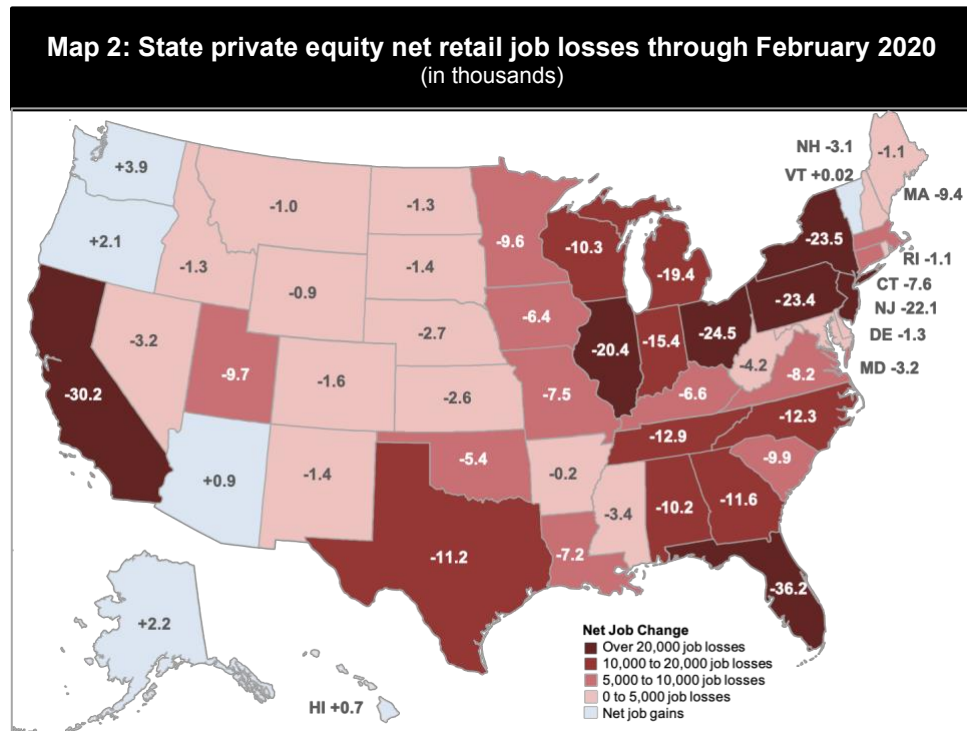
Laid off workers had to fight to get even a pittance in severance payments that sometimes took years to materialize. Shopko shut its doors in March 2019 but it wasn’t until October 2020 that 4,000 workers received promised severance payments under pressure from workers organizing with

Table 1. Private Equity Retail Bankruptcies Jan.-Nov. 2020		
Retail Chain	Bankruptcy Date	Private Equity Owner[†]
Guitar Center	Nov-2020	Ares Capital
Lord & Taylor	Aug-2020	Le Tote
Paper Store	Jul-2020	Westview Capital Management
Lucky Brand	Jul-2020	Authentic Brands (PE backed)
Sur La Table	Jul-2020	TriArtisan Capital Advisors/ Capitala Group
J. Crew	May-2020	TPG Capital/Leonard Green & Partners
Neiman Marcus	May-2020	Ares Private Equity Group/Canadian Pension Plan Investment Board
Art Van Furniture	Apr-2020	Thomas H. Lee Partners
True Religion	Apr-2020	Towerbrook Capital Partners
Fairway Market	Jan-2020	Brigade Capital Management/ Goldman Sachs Group
Papyrus	Jan-2020	American Greetings (backed by Clayton, Dubilier & Rice)
Source: CB Insights, Retail Dive, Pitchbook ownership data. ⁴³ [‡] denotes second or multiple bankruptcies; [†] denotes most recent private equity owner.		

United for Respect.⁴⁶ Midwest furniture retailer Art Van was taken over by T.H. Lee Partners in 2017 and collapsed in 2020, destroying 3,100 jobs; T.H. Lee established a “relief fund” for laid off workers that offered \$400 or less per worker, suspended health care premium payments, and even refused to pay back money the workers paid into their own flexible health savings accounts.⁴⁷

Before the pandemic, private equity-owned retailers cut over 540,000 jobs

The private equity-driven job losses have been substantial and affected every state. Prior to the pandemic, 65 private equity-owned retailers slashed over half a million jobs from the time private equity took over the chain until February 2020. These retailers closed nearly 18,000 stores that cost nearly 542,000 jobs across the country between the point of takeover and February 2020 (see Appendix at page 16). This estimate is based on state level job losses at 65 chains taken over by private equity firms over the past two decades where the store count could be determined at the point of takeover and in February 2020 (see Methodology at page 15). Over one-third of these chains had disappeared (26 of 65) by February 2020. Private equity retail job losses were substantial and widespread. California,



Florida, and New York each lost more than 30,000 jobs at private equity-owned retailers (see Map 1 on page 3). Private equity retail job losses exceeded 10,000 in twenty states.

The total retail job losses are undoubtedly higher, as some private equity-owned retailers were not included because it was not possible to estimate state level store counts. For example, there were significant job losses at private equity-owned retailers that collapsed in 2020 that were not included in this analysis, including Art Van Furniture (3,100 jobs) and Papyrus (1,000 jobs).⁴⁸ This conservative estimate describes the private equity-owned retail jobs losses, but the numbers are certainly higher and likely to grow during the pandemic.

The private equity retail job destruction was nearly four times greater than its job additions. Although some private equity chains added jobs through mergers or expansions, these gains were swamped by the job losses (542,000 jobs lost compared to 145,500 jobs added). The private equity-

driven retail failures and downsizing caused a net job loss of 396,300 by February 2020, even accounting for the modest job growth at some private equity retailers.

Most states had substantial net private equity retail job losses (see Map 2 on page 10). Private equity-owned retailers had more than 5,000 net job losses in 26 states. Seven states had private equity-owned retail net job losses of 20,000 workers (Florida, California, Ohio, New York, Pennsylvania, New Jersey, and Illinois). Only six states had net job gains and half of those added fewer than 1,000 workers.

Private equity made up a majority of retail job losses in states hit hardest by the retail apocalypse before the pandemic. The net job losses from private equity-owned retailers made up more than half the job losses in 10 out of the fifteen states and Puerto Rico that lost either 5 percent or 10,000 total retail sales jobs between 2005 and 2019 (see Table 2). New Jersey and Indiana would have gained retail jobs over the past fifteen years if it were not for the net retail job losses at private equity-owned retailers.

Over 215,000 jobs at private equity-owned retailers vulnerable during the pandemic

The pandemic has hit the retail industry hard, as non-essential brick and mortar retailers faced emergency shut-downs during the spring and reduced capacity as restrictions were eased. The evaporation of foot traffic into stores hurt all retailers, but private equity retailers were more vulnerable to these economic and public health shocks. As one Pitchbook private equity analyst noted in June 2020, private equity “portfolio companies are especially vulnerable to economic contractions due to the highly leveraged nature of the industry.”⁴⁹

Industry analysts identified retail chains at substantial risk of default or bankruptcy during the pandemic.⁵⁰ As the pandemic unfolded, 12 of the 65 private equity-owned chains in this analysis were at risk of collapse; three more had subsequently gone into bankruptcy since February 2020, including J. Crew, Neiman Marcus, and Guitar Center. These 12 chains represented about one-quarter of the 39 private equity-owned chains in this analysis that were still in business when the pandemic struck the United States in early 2020.

More than 215,000 workers at these 12 chains are at heightened risk of job loss in 2020. Some of these workers may have already lost their jobs as retailers shutter locations or reorganize during the bankruptcy

Table 2. Private equity drove retail job losses in states hit hardest by retail apocalypse

State	Private Equity Net Retail Job Change (takeover to Feb. 2020)	Total Retail Sales Job Losses (2005-2019)	% Total Retail Sales Jobs Decline	Private Equity Share of Total Retail Sales Job Losses
Ohio	(24,533)	(53,348)	-9.7%	46.0%
Pennsylvania	(23,381)	(44,497)	-7.5%	52.5%
New Jersey	(22,083)	(16,972)	-4.0%	130.1%
Illinois	(20,448)	(35,903)	-6.4%	57.0%
Michigan	(19,375)	(37,590)	-8.3%	51.5%
Indiana	(15,374)	(13,868)	-4.6%	110.9%
Wisconsin	(10,293)	(16,103)	-5.7%	63.9%
Virginia	(8,171)	(10,530)	-2.8%	77.6%
Connecticut	(7,646)	(15,255)	-8.8%	50.1%
Missouri	(7,500)	(10,598)	-3.7%	70.8%
West Virginia	(4,206)	(8,183)	-10.2%	51.4%
Maryland	(3,224)	(15,795)	-5.9%	20.4%
Rhode Island	(1,081)	(3,863)	-8.2%	28.0%
Maine	(1,080)	(4,312)	-5.6%	25.0%
Puerto Rico	(799)	(10,035)	-8.1%	8.0%
Vermont	18	(3,488)	-9.6%	-0.5%

process. Thirteen states have more than 5,000 workers at vulnerable private equity-owned retailers — four states (California, Florida, North Carolina, and Texas) have more than 10,000 workers at these precarious retailers (see Map 3).

Women and people of color hit hardest by private equity layoffs

The private equity industry's predatory and extractive business model has cost jobs, cut wages, reduced benefits, compromised worker safety, and worsened economic inequality. Private equity's playbook imposes aggressive cost-cutting on the companies they take over to juice revenues and profits for themselves. These cost-cutting efforts, often referred to as "efficiencies," hit workers hard through workforce downsizing, wage cuts, and reductions in benefits like health care and retirement.⁵¹ These impacts are felt hardest by the people working in the important customer-facing positions, who are the same people that are paid the least.

These low-wage retail jobs are often the only ones available to marginalized and oppressed communities and are predominantly held by women and people of color.

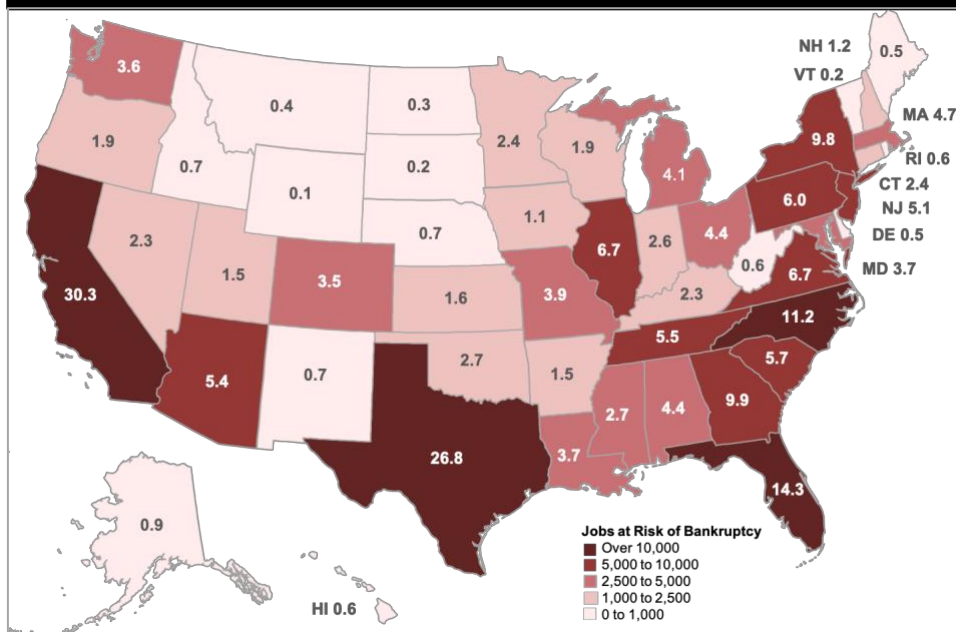
These cost-cutting strategies have been especially caustic for retail workers. After Sears/Kmart was taken over, the private-equity owners shifted workers from hourly pay to commission-based pay, cut benefits, and forced workers into

untenable and unstable work schedules.⁵²

While some retail workers have been furloughed during the pandemic, others are essential workers who have been at the mercy of their employers for adequate compensation, health benefits, and protective procedures and equipment. Workers at private equity-owned PetSmart and PetCo reported that they were forced to work without adequate protective equipment in often overcrowded stores and without receiving adequate pay or benefits during the pandemic.⁵³

These extractive private equity practices fall most heavily on women and people of color. The retail industry employs the most low-wage workers of any industry – some 4.5 million people – and more than three-quarters of all retail workers are low-wage, with typical workers earning only about \$10 an hour.⁵⁴ The typical cashier wages in the retail subsectors with widespread private equity investments (department stores, supermarkets, clothing stores, and furniture

Map 3: State private equity retail jobs at high-risk in 2020
(in thousands)



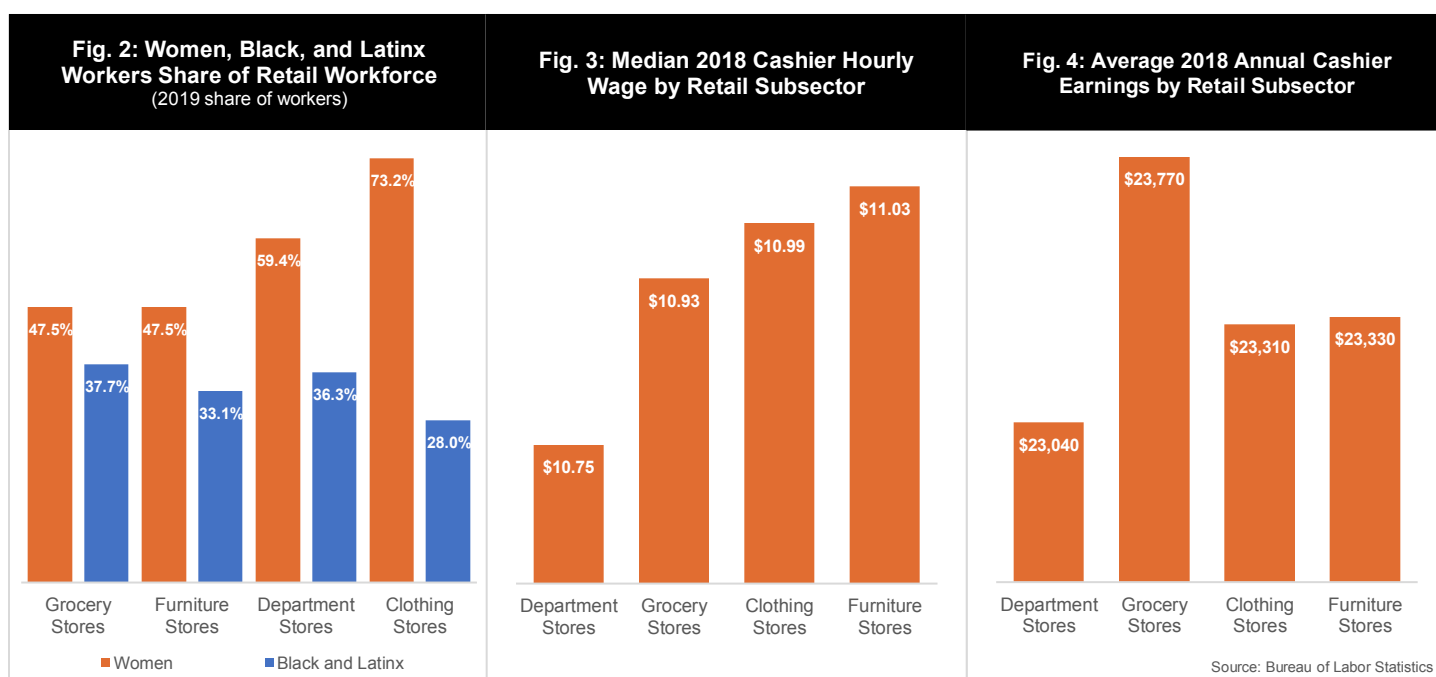
stores) were under \$11 an hour in 2018 (see Figure 3). Half of retail workers have uncertain schedules, worsening the economic penalty of low hourly wages.⁵⁵

Women make up the majority of retail workers (56.5 percent) but are paid less than men, make up three-quarters of the lowest-paid cashier jobs, and are far less likely to be in supervisory roles than men.⁵⁶ Black and Latinx workers make up a large portion of the workforce (12.5 percent and 18.7 percent, respectively), constitute a greater portion of this workforce than of the overall workforce, and are overrepresented in the lowest-paid cashier jobs.⁵⁷ The overrepresentation of women and people of color can be more pronounced in the retail subsectors with widespread private equity investments (see Figure 2).⁵⁸

The earnings at the cashier jobs in these retail subsectors where women and people of color are concentrated are under \$24,000 annually (see Figure 4), which is less than 10 percent above the poverty line for families of three and more than 10 percent less than the

poverty line for families of four.⁵⁹ For example, 10 percent of grocery workers earn less than the poverty line and nearly one-third (30.1 percent) earn less than double the poverty line.⁶⁰ Because of occupational segregation and racial discrimination, poverty rates are higher for workers of color — more than 40 percent of Black and Latinx retail workers live at or near poverty.⁶¹ Many retail workers receive federal safety net support. One in six retail workers (17.3 percent) receive benefits under the Supplemental Nutrition Assistance Program (formerly known as food stamps).⁶²

The private equity-driven closures, layoffs, wage cuts are especially impactful for the women and people of color that have the most tenuous and lowest-paid jobs. It is harder for Black and Brown workers to find new jobs because of employment discrimination and racial wage disparities.⁶³ The more than 500,000 workers who lost their private equity retail jobs identified in this analysis likely include over a quarter million women and about 160,000 Black and Latinx workers who are more likely to face



protracted periods of unemployment, income disruption, and difficulty finding new jobs.⁶⁴

Conclusion and Recommendations

Private equity's predatory and extractive practices have had a destructive impact on the retail sector, cost hundreds of thousands of jobs, undermined local economies, and exacerbated economic and racial inequality. The job losses at private equity-owned retailers have been substantial — more than 540,000 jobs lost and a net decline of nearly 400,000 retail jobs before the start of the pandemic. The workers of color and women who make up the retail sector are bearing the brunt of this Wall Street-driven job loss. The private equity-imposed leverage and other financial burdens make it harder for retail chains to survive the pandemic's economic downturn, leaving another 174,000 workers vulnerable to layoffs.

The federal and state governments must close tax loopholes, clarify and strengthen financial oversight and enforcement, and hold private equity firms accountable and financially responsible for the economic damage they cause to workers and communities. The federal and state governments should:

- **Protect workers from private equity looting:** Workers must be protected from private equity-driven collapses and bankruptcy through policies that provide mandatory severance payments, prioritize workers' pensions and benefits during bankruptcy proceedings, and provide workers adequate Coronavirus protective personal equipment and safety protocols as well as higher pay during the pandemic.
- **Curb private equity predatory practices:** Private equity firms and their management must be held accountable and responsible for the harms they cause, starting with making them responsible for the leveraged buyout debt loads. Tax and regulatory incentives such as the carried interest loophole that encourages highly leveraged takeovers and allows private equity firms and managers to avoid paying taxes on their profits must be closed.
- **Prevent private equity from looting its portfolio companies:** Private equity firms should be prohibited from charging fees for non-existent services, imposing debt-funded dividend payments, or stripping assets — like real estate, brands, or e-commerce platforms — from portfolio firms that make them more vulnerable to bankruptcy and collapse.
- **Provide institutional investors with tools to avoid fueling abusive practices:** The institutional investors (pensions, endowments, etc.) that fund private equity firms' takeover strategies should receive ample information to assess predatory practices that might imperil the portfolio firm or its workers and hold the private equity firms accountable. Disclosures should include information about the debt burdens of the portfolio companies, the treatment of workers at portfolio firms (wages, benefits, retention, layoffs, etc.) and material information about the imposed costs and risks faced by portfolio firms.

Methodology

This analysis examines the change in retail store jobs at 65 private equity-owned retailers where state-based store location and total employment figures could be determined at both the point of private equity takeover and February 2020. See Appendix for list of private equity-owned retail chains in this study. Chains that were purchased by private equity but where it was not possible to determine state store counts and/or number of employees were excluded from the analysis, making it an undercount of total retail job losses attributable to private equity. For example, known and significant takeovers that led to bankruptcy and liquidation at Art Van Furniture and Gymboree were excluded because of a lack of state store or employee counts.

Private equity takeover dates and private equity firms were based on media reports, corporate filings, and press releases. The earliest private equity takeover in the study was in 2003, the average and median takeover year was 2011. The ‘takeover to February 2020’ state store count timeframe estimates the private equity impact on state retail employment before the Coronavirus and its impact on the retail sector and the economy.

State store counts were determined from regulatory filings, corporate statements and materials, media accounts, and website store locators. State employment estimates were made by calculating the average number of

retail sales employees per store. Job numbers are for retail store workers, not all workers. Retail store sales employees were either disclosed by the company or estimated as 90 percent of total employment, based on a conservative estimate of the share of retail store workers at retail chains.⁶⁵

State retail employment change was calculated based on the change in state store locations by retail chain and the average retail workers per store by retail chain from private equity takeover to February 2020, and the average number of retail workers per store by retail chain. Private equity retail losses are the total state retail job losses from all chains where state store counts declined. Net job private equity retail losses are the sum of the change in state employment for chains that added stores and chains that closed stores.

The 2020 private equity retail jobs at risk are the state retail jobs at chains that entered bankruptcy or were included in *Retail Dive* and *National Law Journal* lists of chains at risk of bankruptcy during 2020.⁶⁶ Retail bankruptcies from 2015 through September 2020 were collected from *CB Insights* and *Retail Dive* (excluding chains that did not sell merchandise at brick-and-mortar stores such as restaurants, service sector chains and ecommerce, and brand manufacturers or distributors).⁶⁷ Some of the at risk jobs may have already been eliminated; the estimate includes retailers that have announced bankruptcies that had not announced liquidations such as J. Crew, Neiman Marcus, and Guitar Center.

Appendix: Private equity-owned retailers by net job losses from takeover to February 2020

Appendix: Private Equity-Owned Retailers by Net Job Losses Takeover-February 2020						
Company	Takeover Year	Private Equity Firm	Bankruptcy/Liquidation	Net Change in Stores	Net Change in Retail Jobs	National Store Footprint
						<div> <div></div> No locations by 2020 <div></div> Locations since takeover <div></div> New locations since takeover </div>
Sears Holdings ⁶⁸	2005	ESL Partners	Multiple bankruptcies	-1,637	-200,015	
A&P (The Great Atlantic & Pacific Tea Company) ⁶⁹	2011	Yucaipa Cos.	Bankrupt, closed stores 2015	-393	-35,100	
Toys R Us ⁷⁰	2005	KKR, Bain, Vornado	Bankruptcy, all stores closed 2018	-671	-27,134	
Mervyn's ⁷¹	2004	Cerberus, Sun, Lubert-Adler	Bankruptcy, close all stores 2008	-266	-27,000	
Radio Shack ⁷²	2015	Standard General	Bankruptcy, close all stores 2017	-4,293	-24,750	
Payless Shoes ⁷³	2012	Golden Gate Capital	Bankruptcy, close all stores 2019	-3,496	-20,976	
ShopKo ⁷⁴	2005	Sun Capital	Bankruptcy, closing all stores 2019	-363	-20,520	
Steve and Barry's ⁷⁵	2006	TA Associates	Bankrupt, closed all stores 2008	-185	-13,500	
Sports Authority ⁷⁶	2006	Leonard Green	Bankrupt all stores closed 2016	-398	-12,870	
Aeropostale ⁷⁷	2013	Sycamore	Bankruptcy 2016	-505	-11,615	
Southeastern Grocers ⁷⁸	2010	Lone Star	Bankruptcy 2010	-135	-10,288	
Charlotte Russe ⁷⁹	2009	Advent International	Close all stores 2019	-487	-9,409	
Goody's Family Clothing ⁸⁰	2006	GMM Capital/Prentice Capital	Bankruptcy, close all stores 2009	-357	-8,925	

Appendix (cont.): Private Equity-Owned Retailers by Net Job Losses Takeover-February 2020

Company	Takeover Year	Private Equity Firm	Bankruptcy/Liquidation	Net Change in Stores	Net Change in Retail Jobs	National Store Footprint <div> <div>No locations by 2020</div> <div>Locations since takeover</div> <div>New locations since takeover</div> </div>
Fred's ⁸¹	2016	Alden Capital	Bankruptcy, close all stores 2019	-628	-8,834	
The Limited ⁸²	2007	Sun Capital	Bankrupt, all stores closed 2017	-246	-7,380	
Staples Inc. ⁸³	2017	Sycamore		-162	-7,128	
Marsh Supermarkets ⁸⁴	2006	Sun Capital	Bankruptcy, close all stores 2018	-117	-5,382	
Value City Department Stores ⁸⁵	2008	VCDS Acquisition Holdings, Emerald Capital Management, Crystal Value	Bankruptcy, closed all stores 2008	-113	-4,859	
Save-A-Lot ⁸⁶	2016	Onex		-221	-4,420	
The Talbots ⁸⁷	2012	Sycamore		-265	-3,975	
Charming Charlie ⁸⁸	2013	TSG Consumer Partners	close all stores 2019	-262	-3,668	
Whitehall Jewelers ⁸⁹	2005/2006	Prentice/Holtzman Group	Bankruptcy, closed all stores 2008	-385	-3,080	
Deb Shops ⁹⁰	2007	Lee Equity Partners	closed all stores 2015	-336	-3,024	
PacSun (PSEB Group – Pacific Sunwear of California/Eddie Bauer) ⁹¹	2016	Golden Gate Capital		-227	-2,964	
H.H. Gregg ⁹²	2005	Freeman Spogli	Bankruptcy, close all stores 2017	-62	-2,610	
Fairway Market ⁹³	2016	Blackstone/ Sterling Investment Partners	Bankruptcy, close most stores 2020	-10	-2,580	
Wet Seal ⁹⁴	2015	Versa	Bankruptcy, closed all stores 2017	-179	-2,506	

Appendix (cont.): Private Equity-Owned Retailers by Net Job Losses Takeover-February 2020						
Company	Takeover Year	Private Equity Firm	Bankruptcy/Liquidation	Net Change in Stores	Net Change in Retail Jobs	National Store Footprint <div> <div>No locations by 2020</div> <div>Locations since takeover</div> <div>New locations since takeover</div> </div>
rue21 ⁹⁵	2013	Apax	Bankruptcy 2017	-203	-2,317	
Hot Topic ⁹⁶	2013	Sycamore		-218	-2,071	
Fortunoff ⁹⁷	2005	Trimaran Capital Partners/Kier Group/NRDC 2008 purchase	Bankruptcy, closed all stores 2009	-21	-1,701	
The Fresh Market ⁹⁸	2016	Apollo		-26	-1,602	
Earth Fare ⁹⁹	2012	Oak Hill Capital Partners	Closed most stores 2020, 5 NY stores sold to Village Supermarket	-26	-1,586	
Market Basket/Demoulas ¹⁰⁰	2014	Blackstone		-5	-1,585	
Cabela's/Bass Pro ¹⁰¹	2017	Goldman Sachs		-8	-1,536	
Wickes Furniture ¹⁰²	2002	Sun Capital	Bankruptcy, closed all stores 2008	-40	-1,440	
Loehmann's ¹⁰³	2004	Crescent Capital (Istithmar in 2006)	Bankruptcy, close all stores 2014	-49	-1,421	
Joe's Sports & Outdoors ¹⁰⁴	2007	Gryphon Investments	Bankruptcy, close all stores 2009	-29	-1,334	
Ashley Stewart ¹⁰⁵	2010	Gordon Partners/Clearlake Partners	Bankruptcy closed all stores 2014	-120	-1,080	
Belk ¹⁰⁶	2015	Sycamore		-5	-410	
Betsey Johnson ¹⁰⁷	2007	Castenea	Bankruptcy, closed all stores 2012	-47	-235	
Party City ¹⁰⁸	2012	THL Partners, Advent, et al		-11	-198	

Appendix (cont.): Private Equity-Owned Retailers by Net Job Losses Takeover-February 2020

Company	Takeover Year	Private Equity Firm	Bankruptcy/Liquidation	Net Change in Stores	Net Change in Retail Jobs	National Store Footprint <div> <div></div>No locations by 2020 <div></div>Locations since takeover <div></div>New locations since takeover </div>
West Marine ¹⁰⁹	2017	Monomoy Capital Partners		-13	-177	
I.O. Metro/Erds at Home ¹¹⁰	2011	Consumer Growth Partners/Banyan Investment Partners/Diamond State Ventures	Bankruptcy, close all stores 2017	-19	-95	
Edwin Watts Golf ¹¹¹	2003	Wellspring Capital/	Bankruptcy 2013, stores closed, purchased by Worldwide Golf	-10	-60	
Cardenas' Market/Mi Pueblo ¹¹²	2017	KKR/Victory Park Capital		No change	No change	
BevMo! (Beverages & More) ¹¹³	2007	TowerCapital Partners		+100	+432	
Forman Mills ¹¹⁴	2016	Goode Partners		+8	+600	
Neiman Marcus ¹¹⁵	2013	Ares, Canada pension	Bankruptcy 2020	+3	+804	
Bargain Hunt Superstores ¹¹⁶	2015	Thomas H. Lee		+51	+998	
Gelson's Market ¹¹⁷	2014	TPG Capital		+10	+1,105	
PetCo ¹¹⁸	2015	CVC		+69	+1,225	
Guitar Center ¹¹⁹	2007	Bain 2007/Ares 2014	Bankruptcy 2020	+51	+1,326	
Mills Fleet Farm ¹²⁰	2016	KKR		+11	+1,893	
Jo-Ann Stores ¹²¹	2010	Leonard Green		+121	+2,864	
Container Store ¹²²	2007	Leonard Green & Co.		+54	+3,571	

Appendix (cont.): Private Equity-Owned Retailers by Net Job Losses Takeover-February 2020						
Company	Takeover Year	Private Equity Firm	Bankruptcy/Liquidation	Net Change in Stores	Net Change in Retail Jobs	National Store Footprint <div> <div>No locations by 2020</div> <div>Locations since takeover</div> <div>New locations since takeover</div> </div>
At Home Group ¹²³ (formerly Garden Ridge)	2011	AEA Investors		+132	+3,630	
BJ's Wholesale Club ¹²⁴	2011	Leonard Green and CVC Capital		+31	+3,658	
Michaels Stores Inc. ¹²⁵	2004	Bain, Blackstone		+103	+3,811	
Bob's Discount Furniture ¹²⁶	2014	Bain Capital		+78	+4,134	
99¢ Only Stores ¹²⁷	2011	Apollo		+112	+4,276	
PetSmart ¹²⁸	2014	BC Partners		+269	+4,842	
Academy Sports + Outdoors ¹²⁹	2011	KKR		+69	+5,229	
J. Crew ¹³⁰	2011	TPG/Leonard Green	Bankruptcy 2020	+164	+5,518	
Tops Markets ¹³¹	2007	Morgan Stanley PE	Bankruptcy 2017	+91	+10,776	
Albertsons ¹³²	2006	Cerberus		+483	+46,368	

Endnotes

- ¹ Dalmia, Peeyush, et al. McKinsey & Company. "[A Rolling Disruption: COVID-19's Implication for Private Equity and Portfolio Companies.](#)" September 2020 at 3.
- ² Maheshwari, Sapna and Vanessa Friedman. "[The pandemic helped topple two retailers, so did private equity.](#)" *New York Times*. June 18, 2020.
- ³ Analysis of ownership of 175 retail firms that entered bankruptcy from 2015 to September 2020. The retail chain bankruptcies were derived from "[Here's a list of 113 bankruptcies in the retail apocalypse and why they failed.](#)" *CB Insights*. Research Brief. July 30, 2020; "[The running list of 2020 retail bankruptcies.](#)" *Retail Dive*. September 14, 2020; Hirsch, Lauren. "[Guitar Center files for bankruptcy.](#)" *New York Times*. November 22, 2020. This analysis excludes chains on these lists that do not sell merchandise at brick-and-mortar stores such as restaurants, service sector chains, e-commerce, or brand manufacturers and distributors. Ownership based on corporate documents, reports, and filings as well as media reporting and determination from the Pitchbook database.
- ⁴ Richter, Wolf. "[Retail apocalypse is being fueled by private equity debt loads.](#)" *Business Insider*. August 2, 2017.
- ⁵ Dalmia et al. (2020) at 8.
- ⁶ Basak, Sonali. "[Private equity buyouts are on their way back, Deutsche Bank says.](#)" *Bloomberg*. July 31, 2020; Ford, Jonathan. "[Private equity fees have become a rentiers bonanza.](#)" *Financial Times*. August 30, 2020.
- ⁷ Dalmia et al. (2020) at 2.
- ⁸ Pitchbook. "[US PE Breakdown Q3 2020.](#)" 2020 at 4.
- ⁹ Unglesbee, Ben. "[J.C. Penney's deal with Simon and Brookfield is almost done, but its retail struggles aren't.](#)" *Retail Dive*. November 10, 2020.
- ¹⁰ Wilson, Marianne. "[Private equity company takes majority stake in Clarks.](#)" *Chain Store Age*. November 5, 2020.
- ¹¹ Kelly, Jason. "[The magic formula is leverage...and fees.](#)" *Businessweek*. October 3, 2019.
- ¹² Childs, Mary. "[Who really ruined Toys 'R' Us?](#)" *Barron's*. November 21, 2018; Covert, Bryce. "[The demise of Toys 'R' Us is a warning.](#)" *The Atlantic*. July/August 2018.
- ¹³ Covert (2018).
- ¹⁴ Childs (2018).
- ¹⁵ Slavkin Corzo, Heather. Testimony before the House Financial Services Committee, Subcommittee on Investor Protection, Entrepreneurship, and Capital Markets. U.S. House of Representatives. [Promoting Economic Growth: A Review of Proposals to Strengthen the Rights and Protections for Workers.](#) May 15, 2019 at 13.
- ¹⁶ Ronalds-Hanon, Eliza and Davide Scigliuzzoo. "[Sycamore pockets \\$1 billion from deal that amazed Wall Street.](#)" *Bloomberg*. April 11, 2019.
- ¹⁷ Lewis, Adam. Pitchbook. "[PE firms keep deploying dividend recaps despite the risks.](#)" August 15, 2019.
- ¹⁸ Rennison, Joe. "[Private equity owners pile on leverage to pay themselves dividends.](#)" *Financial Times*. September 17, 2020.
- ¹⁹ Dayen, David. "[The Cause and Consequences of the Retail Apocalypse.](#)" *The New Republic*. November 14, 2017; Gustafson, Krystina. "[Payless ShoeSource files for Chapter 11 bankruptcy.](#)" *CNBC*. April 4, 2017; Hirsch, Lauren. "[Payless ShoeSource files for bankruptcy as it closes its 2,500 US stores.](#)" *CNBC*. February 19, 2019.
- ²⁰ de la Merced, Michael. "[J. Crew shareholders approve \\$3 billion buyout.](#)" *New York Times*. March 1, 2011.
- ²¹ DiNapoli, Jessica. "[Exclusive: Blackstone's GSO snaps up J. Crew debt in restructuring gambit.](#)" *Reuters*. May 1, 2017.
- ²² Friedman, Vanessa, Sapna Maheshwari, and Michael J. de la Merced. "[J. Crew files for bankruptcy in virus' first big retail casualty.](#)" *New York Times*. May 3, 2020; J. Crew Group, Inc. Securities and Exchange Commission form 10-K ([SEC 10-K](#)). Fiscal Year End (FYE) February 2, 2019 at 7.
- ²³ Basak and Carey (2017).
- ²⁴ United Food & Commercial Workers Local 400 and Private Equity Stakeholder Project. "[Private Equity's Biggest Retail Gamble: Albertsons Safeway.](#)" November 6, 2019.
- ²⁵ J.Crew Group Inc. SEC 10-K. FYE [February 1, 2014](#) at 22 and F-11; FYE [January 30, 2016](#) at F-11; FYE [February 2, 2019](#) at F-15 and F-16.
- ²⁶ Coleman-Lochner, Lauren and Eliza Ronalds-Hannon. "[What happens to a company when PE buys it?](#)" *Businessweek*. October 3, 2019; "[ShopKo agrees to \\$29 a share offer from Sun Capital.](#)" *Milwaukee Business Journal*. October 18, 2005; Min, Sarah. "[Shopko closing all remaining stores after failing to find a buyer.](#)" *CBS News*. March 18, 2019; see methodology and appendix for job loss estimates.
- ²⁷ Thornton, Emily. "[How private equity strangled Mervyns.](#)" *Bloomberg Business Week*. November 26, 2008.
- ²⁸ McDowell, Erin. "[The rise and fall of Sears, once the largest and most powerful retailer in the world.](#)" *Business Insider*. January 24, 2020.
- ²⁹ Celarier, Michelle. "[Eddie Lampert Shattered Sears, Sullied His Reputation, and Lost Billions of Dollars. Or Did He?](#)" *Institutional Investor*. December 3, 2018.
- ³⁰ Hanbury, Mary. "[Here's what happened to all the brands Sears used to own, from car-insurance company to a hardware store.](#)" *Business Insider*. January 21, 2019.
- ³¹ Hanbury (2019); McDowell (2020).
- ³² Haunss, Kristen and Jessica DiNapoli. "[J. Crew makes preparations for possible debt restructuring: Sources.](#)" *Reuters*. December 9, 2016; Basu, Reshmi, Kyle Younker, and Andrew Berlin. "[J. Crew moving IP to unrestricted Cayman subsidiary.](#)" *Debtwire*. December 9, 2016.
- ³³ Huffman, Zack. "[J. Crew lenders balk at intellectual-property transfer.](#)" *Courthouse News*. June 23, 2017; Coy, Peter. "In finance, "[J. Crew](#)" is a verb. It means stick it to a lender." *Bloomberg*. June 17, 2019.

- 34 Timberlake, Cotton. [“Neiman Marcus to be bought by Ares, Canada fund.”](#) *Bloomberg*. September 9, 2013.
- 35 Neiman Marcus Group LTD LLC. [SEC 10-K](#). FYE July 30, 2016 at 5 and F-22 to F-24.
- 36 Marble Ridge Capital, LP and Marble Ridge Master Fund LP v. Neiman Marcus Group, Inc. et al. [Plaintiffs Original Petition](#). Dallas County District Court. December 10, 2018.
- 37 Unglesbee, Ben. [“The future of Neiman Marcus: When private equity debt meets a pandemic.”](#) *Retail Dive*. April 20, 2002.
- 38 Center for Popular Democracy, Americans for Financial Reform Education Fund, Strong Economy for All Coalition, United for Respect, Hedge Clippers, Private Equity Stakeholder Project. [“Pirate Equity”](#) (Pirate Equity). July 2019 at 41.
- 39 Fickenscher, Lisa. [“Neiman Marcus to file for bankruptcy as soon as this week: Sources.”](#) *New York Post*. April 19, 2020.
- 40 Ayash, Brian and Mahdi Rastad. California Polytechnic State University. [“Leveraged Buyouts and Financial Distress.”](#) July 19, 2019.
- 41 Al-Muslim, Alisha. [“Analysis: Private equity ownership common in retail bankruptcies.”](#) *Newsday*. April 21, 2017; Covert (2018).
- 42 Analysis of ownership of 175 retail firms that entered bankruptcy from 2015 to September 2020. The retail chain bankruptcies were derived from *CB Insights* (2020); *Retail Dive* (September 14, 2020); Hirsch (2020). This analysis excludes chains on these lists that do not sell merchandise at brick-and-mortar stores such as restaurants, service sector chains, e-commerce, or brand manufacturers and distributors. Ownership based on corporate documents, reports, and filings as well as media reporting and determination from the Pitchbook database.
- 43 *Ibid*.
- 44 *Ibid*.
- 45 Whoriskey, Peter. [“As a grocery chain is dismantled, investors recover their money. Worker pensions are short millions.”](#) *Washington Post*. December 28, 2018; Zumbach, Lauren. [“Feds move to take over Sears pension plans, will cover ‘vast majority’ of benefits for retailer’s 90,000 retirees.”](#) *Chicago Tribune*. January 18, 2019.
- 46 Min (2019); Bollier, Jeff. [“Bankruptcy judge approves \\$3 million for 4,000 former Shopko workers promised severance.”](#) *Green Bay (WI) Post-Gazette*. October 15, 2020.
- 47 Ronalds-Hannon, Eliza and Lauren Coleman-Lochner. [“Art Van workers demand owner pay back benefit accounts lost in bankruptcy.”](#) *Bloomberg*. September 29, 2020; Ronalds-Hannon, Eliza and Lauren Coleman-Lochner. [“T.H. Lee \\$1 million for workers called ‘grossly inadequate.’”](#) *Bloomberg*. June 10, 2020; Walsh. Dustin. [“How Art Van went from a retail juggernaut to a house afire.”](#) *Crain’s Detroit Business*. March 8, 2020.
- 48 Walsh (2020); Siegel, Rachel. [“Death by a thousand emojis’: All 254 Papyrus stores closing.”](#) *Washington Post*. January 24, 2020.
- 49 Lewis, Adam. Pitchbook. [“Private equity-backed bankruptcies surged in May, but future might not be so bleak.”](#) June 5, 2020.
- 50 [“20 retailers to watch for a bankruptcy filing in the second half of 2020.”](#) *National Law Review*. June 17, 2020; Unglesbee, Ben. [“These 27 retailers could file for bankruptcy as pandemic roils the industry.”](#) *Retail Dive*. May 4, 2020; The twelve chains included in the list of at-risk stores are 99 Cents Only Stores, Academy Sports + Outdoors, At Home Group, Belk, Container Store, Guitar Center, J. Crew, Michaels, Neiman Marcus, Party City, PetCo, and Pet Smart (Chewy Inc.).
- 51 Coleman-Lochner and Ronalds-Hannon (2019).
- 52 Bryce Covert, Bryce. [“Hedge-Fund Ownership Cost Sears Workers Their Jobs. Now They’re Fighting Back.”](#) *The Nation*, April 23, 2019..
- 53 Saluto, Michael. [“Pet adoption booming amid pandemic but workers accuse retailers of abuses.”](#) *The (UK) Guardian*. November 19, 2020; Louch, William. [“PetSmart workers ask retailer’s private equity owner for Coronavirus protections.”](#) *Wall Street Journal*. July 8, 2020.
- 54 Ross, Martha and Nicole Bateman. Brookings Institution Metropolitan Policy Program. [“Meet the Low-Wage Workforce.”](#) November 2019 at 11 and note 20 at 48.
- 55 Schneider, Daniel and Kristen Harknett. University of California Berkeley and Aspen Institute. [“Income Volatility in the Service Sector: Contours, Causes, and Consequences.”](#) July 2017 at 2.
- 56 Anderson, D. Augustus and Lynda Laughlin. U.S. Census Bureau. [“Retail Workers: 2018.”](#) ACS-44. August 2020 at 4.
- 57 *Ibid*.
- 58 Bureau of Labor Statistics. [“Employed Persons by Detailed Industry, Sex, Race, and Hispanic or Latino ethnicity.”](#) January 22, 2020; Latinx and Black workers make up a larger share of some of these retail sectors than their share of the workforce, 17 percent and 13 percent, respectively. Loprest, Pamela and Kelly S. Mikelson. Urban Institute. [“Frontline Workers in the Retail Sector.”](#) August 2019 at 10
- 59 Bureau of Labor Statistics. National Industry-Specific Occupational Employment and Wage Estimates 2018. [NAICS 448000 - Clothing and Clothing Accessories Stores, NAICS 442000 - Furniture and Home Furnishings Stores, NAICS 445000 - Food and Beverage Stores, NAICS 452000 - General Merchandise Stores](#); Department of Health and Human Services. [“Annual Update of the HHS Poverty Guidelines.”](#) 85 Fed. Reg. 3060. January 17, 2020.
- 60 Rho, Hye Jin, Hayley Brown, and Shawn Fremstad. Center for Economic and Policy Research. [“A Basic Demographic Profile of Workers in Frontline Industries.”](#) April 2020 at 7
- 61 Ruetschlin, Catherine and Dedrick Asante-Muhammad. Demos. [“The Retail Race Divide How the Retail Industry Is Perpetuating Racial Inequality in the 21st Century.”](#) June 2, 2015 at 14.
- 62 Kieth-Jennings, Brynne and Vincent Palacios. Center for Budget and Policy Priorities. [“SNAP Helps Millions of Low-Wage Workers.”](#) May 10, 2017 at 16.

⁶³ Wilson, Valerie and William M. Rodgers III. Economic Policy Institute. “[Black-white wage gaps expand with rising wage inequality](#).” September 19, 2016.

⁶⁴ Anderson and Laughlin (2020) at 4.

⁶⁵ The 90 percent sales employees is a conservative estimate, it could be higher, based on U.S. Securities and Exchange Commission filings of comparable retailers that documented the breakdown of employment by job category. Michaels Stores, Inc. [SEC 10-K](#), FYE February 2, 2008 at 9 (93 percent of employees were in stores); Jo-Ann Stores, Inc. [SEC 10-K](#), FYE January 30, 2010 at 10 (92 percent of employees worked in stores); Collective Brands, Inc. (Payless). [SEC 10-K](#), FYE January 28, 2012 at 7 (87 percent worked in stores); 99c Only Stores. [SEC 10-K](#), March 30, 2013 at 10 (89 percent in retail operations); Neiman Marcus, Inc. [SEC 10-K](#), FYE July 28, 2012 at 9 (86 percent at Neiman Marcus and Bergdorf Goodman stores); Pacific Sunwear of California, Inc. [SEC 10-K](#), FYE January 31, 2015 at 5 (94 percent at stores); At Home Group, Inc. [SEC 10-K](#), FYE January 27, 2018 at 10 (93 percent store employees); Aeropostale, Inc. [SEC 10-K](#), FYE January 30, 2016 at 13 (97 percent store employees).

⁶⁶ *National Law Review* (2020); Unglesbee (May 4, 2020).

⁶⁷ *CB Insights* (2020); *Retail Dive* (September 14, 2020).

⁶⁸ “[Lampert top hedge executive with earnings of \\$1 billion](#),” *Baltimore Sun*, May 28, 2005; “[Kmart to acquire Sears in \\$11 billion deal](#),” *Associated Press*, November 17, 2004; McDowell (2020); Sears Holdings Corp. [SEC 10-K](#), FYE January 28, 2006 at 7 (employees) and 12 (stores); Sears, Co. [Stores](#), K-Mart. [Stores](#), Accessed March 2020.

⁶⁹ Beckerman, Josh. “[Yucaipa keeps A&P in its grocery basket](#),” *Wall Street Journal*, November 3, 2011; The Great Atlantic & Pacific Tea Company, Inc. [SEC 10-K](#), FYE February 26, 2011 at 4 (employees) and 6 (stores); Bomey, Nathan and Hoa Nguyen. “[A&P grocery chain files bankruptcy again](#),” *USA Today*, July 20, 2015.

⁷⁰ Childs (2018); Toys R Us, Inc. [SEC 10-K](#), FYE January 28, 2006 at 4 (U.S. stores), 7 (international stores), and 11 (worldwide employees). U.S. retail workers based on average per store retail workers applied to U.S. locations.

⁷¹ Thornton, Emily. “[How private equity strangled Mervyns](#),” *Bloomberg Businessweek*, November 25, 2008 (deal, stores and employees); Target, Inc. Target Corporation. [Annual Report 2003](#), 2004 at 39 (store count for Mervyns).

⁷² Zimmerman, Alan. “[Bankruptcy: RadioShack asset sale to Standard General nets court OK](#),” *Fortune*, March 31, 2015; RadioShack Corporation. [SEC 10-K](#), FYE December 31, 2013 at 4 (employees) and 12 (stores, does not include “dealers”); RadioShack. [Press release]. “[Last chance for store closing deals at your neighborhood RadioShack](#),” May 26, 2017; RadioShack only operated as and online retailer and franchised at other firms as authorized dealerships in 2020. RadioShack. [Find Stores Near this Location](#). Accessed March 2020.

⁷³ “[Payless, Stride Rite shoes parent Collective Brands Inc. acquired for \\$1.32 billion](#),” *Portland Oregonian*, May 1, 2012; Collective Brands, Inc. [SEC 10-K](#), FYE January 28, 2012 at 3 to 4 (stores) and 7 (employees worldwide retail).

U.S. retail workers based on average per store retail workers applied to U.S. locations; Hirsch (2019).

⁷⁴ *Milwaukee Business Journal* (2005); ShopKo Stores, Inc. [SEC 10-K](#), FYE January 29, 2005 at 14 (employees) and 19 (stores); Min (2019).

⁷⁵ Rovell, Darren. “[Private equity firm gets Steve & Barry’s](#),” *CNBC*, December 1, 2006; “[Steve & Barry’s files ‘stalking horse’ agreement](#),” *Chain Store Age*, August 4, 2008; Herman, Bridget. “[Steve & Barry’s plans to close all of its stores](#),” *Charleston (SC) Post & Courier*, November 26, 2008; “[NY area’s largest privately held companies](#),” *Crain’s New York Business*, Vol. XXIII, No. 53, December 31, 2007 at 10 (15,000 total employees); Steve and Barry’s. Stores. [Internet Archive](#), December 9, 2006.

⁷⁶ Goldman, Abigail. “[Leonard Green to buy Sports Authority](#),” *Los Angeles Times*, January 24, 2006; Sports Authority, Inc. [SEC 10-K](#), FYE January 28, 2006 at 9 (stores) and 11 (employees); Ewen, Lara. “[How Sports Authority went bankruptcy—and who could be next to fall](#),” *Retail Dive*, March 15, 2016; Isadore, Chris. “[Sports Authority to close all remaining stores](#),” *CNN Business*, May 18, 2016.

⁷⁷ “[Aeropostale falls out with Sycamore Partners](#),” *Crain’s New York Business*, March 18, 2016 (significant stake); CB Insights. Research Briefs. “[Here’s a list of 113 bankruptcies in the retail apocalypse and why they failed](#),” July 30, 2020; Aeropostale, Inc. [SEC 10-K](#), FYE February 2, 2013 at 5 to 6 (stores) and 9 (employees); Aeropostale. [Find a Store](#). Accessed March 2020.

⁷⁸ Davies, Megan. “[Lone Star’s BI-Lo expects bankruptcy exit in May](#),” *Reuters*, April 29, 2010; Springer, Jon. “[Court Oks Bi-Lo plan to emerge from Chapter 11](#),” *Supermarket News*, April 30, 2010; Southeastern Grocers, LLC. [SEC Form S-1](#), September 26, 2013 at 66 (employees) and 69 (stores); 2020 locations based on 4,730 job listings for hourly associate excluding liquor stores. Southeastern Grocers. [Job Search](#). Accessed March 2020.

⁷⁹ Oran, Olivia. “[Advent’s women’s retailer Charlotte Russe prepares for IPO—sources](#),” *Reuters*, October 23, 2013; Charlotte Russe Holding, Inc. [SEC 10-K](#), FYE September 27, 2008 at 2 (stores) and 4 (total employees); Tyko, Kelly. “[Charlotte Russe is closing all of its stores and has started liquidation sales](#),” *USA Today*, March 9, 2019; brand and intellectual property sold. George-Parkin, Hilary. “[Change of plans: Bankrupt Charlotte Russe is reopening stores](#),” *Footwear News*, April 15, 2019.

⁸⁰ Birchall, Jonathan. “[Bain to pay \\$2bn for US retail chain](#),” *Financial Times*, January 18, 2006; Goody’s Family Clothing, Inc. [SEC 10-K](#), FYE January 29, 2005 at 3 (stores) and 10 (employees, 25 retail workers per store from 10,000 workers at 357 stores); Goody’s Family Clothing. Select a State. [Internet Archive](#), February 7, 2005; Emery, Chelsea. “[Goody’s Family Clothing to liquidate stores](#),” *Reuters*, January 7, 2009; Stage Stores, Inc. [SEC 10-Q](#), Quarter ended October 31, 2009 at 17.

⁸¹ Nichols, Meagan. “[How hedge fund Alden Global Capital gained control of Fred’s](#),” *Memphis Business Journal*, April 30, 2018; Berk, Brian. “[Investment firm takes 25% stake in Fred’s Pharmacy](#),” *Drug Store News*, December 23, 2016; Fred’s, Inc. [SEC 10-K](#), FYE January 28, 2017 at 8 (9,816 employees) and 20 (628 stores, 14 retail workers per store);

Bomey, Nathan. [“Fred’s to close all of its stores in Chapter 11 bankruptcy.”](#) *USA Today*. September 9, 2019;

⁸² Eaton, Dan. [“Limited Brands sells remaining stake in Limited Stores.”](#) *Columbus Business Journal*. June 17, 2010; Limited Brands, Inc. [SEC 10-K](#). FYE February 3, 2007 at 4 (employees); The Limited. [“Stores.”](#) Internet Archive. December 30, 2007; Halzack, Sarah. [“The Limited is closing all of its 250 stores.”](#) *Washington Post*. January 6, 2017.

⁸³ Hirsch, Lauren. [“Staples in \\$6.9 billion sale to private equity firm Sycamore.”](#) *Reuters*. June 28, 2017; Staples Inc. [SEC 10-K](#). FYE January 28, 2017 at 4 (employees) and 12 (stores). U.S. retail workers based on average per store retail workers applied to U.S. locations; Staples. [Store Index](#). Accessed March 2020.

⁸⁴ Marsh Supermarkets, Inc. [Press release]. [“Marsh Supermarkets reports on completing transaction.”](#) June 12, 2006; Whoriskey, Peter. [“As midwestern grocery chain is dismantled, investors recover their money. Workers left short \\$80 million.”](#) *Chicago Tribune*. December 9, 2018; Marsh Supermarkets, Inc. [SEC 10-K](#). FYE April 1, 2006 at 3 (stores) and 7 (total employees); Whoriskey, Peter. [“As midwestern grocery chain is dismantled, investors recover their money. Workers are left short \\$80 million.”](#) *Chicago Tribune*. December 29, 2018.

⁸⁵ [“Value City Department Stores, known for generations as a closeout retailer, is preparing for its own closeout.”](#) *Columbus Dispatch*. October 28, 2008; Retail Ventures, Inc. [SEC 10-K](#). FYE February 3, 2007 at 15 (employees) and 29 (stores). Average employees calculated across all Retail Ventures chains then applied to Value City Department Store locations only.

⁸⁶ Yerak, Becky. [“Save-A-Lot grocery chain to be sold to private equity firm for \\$1.37 billion.”](#) *Chicago Tribune*. October 17, 2016; Beltran, Luisa. [“Onex closes Save-A-Lot buy.”](#) *PE Hub*. December 6, 2016; Save-A-Lot, Inc. [SEC Form 10 Exhibit 99](#). January 7, 2016 at 58 to 59 (employees and stores). Average retail employee per store based on corporate owned stores (20 retail employees per store from 9,700 employees at 441 owned stores). Save-A-Lot. [Stores Near Me](#). Accessed March 2020.

⁸⁷ Proress, Ben. [“After rejecting higher offers, Talbots agrees to \\$369 million buyout.”](#) *New York Times*. May 31, 2012; The Talbots, Inc. [SEC 10-K](#). FYE January 28, 2012 at 8 (employees) and 25 (total stores). Talbots. List of All Stores. [Internet Archive](#). January 17, 2012; Talbots. [All Talbots Stores](#). Accessed March 2020.

⁸⁸ U.S. Bankruptcy Court for the District of Delaware. In re: Charming Charlie Holdings, Inc. et al. Chapter 11 Case No. 17-12906. [Disclosure Statement for the Joint Chapter 11 Plan of Reorganization of Charming Charlie Holdings Inc.](#) December 22, 2017 at 26; Solomon, Brian. [“Speed demon: How ‘Charming Charlie’ built a hit fashion chain in under a decade.”](#) *Forbes*. November 27, 2013 (total stores 284); Anders, Melissa. [“Why is Charming Charlie filing for bankruptcy now?”](#) *Forbes*. December 12, 2017 (5,600 full and part time employees at 370 stores means 14 retail workers per store); Charming Charlie. Store Locations. [Internet Archive](#). December 9, 2013 (store count based on towns, accounts for 262 locations); Bomey, Nathan. [“Charming Charlie going out of business, will close all 261](#)

[stores in Chapter 11 bankruptcy.”](#) *USA Today*. July 11, 2019.

⁸⁹ Whitehall Jewellers, Inc. [SEC 10-K](#). FYE January 31, 2006 at 4 (Prentice and Holtzman Group and 330 stores) and 10 (2,676 store employees, 8 retail workers per store); Whitehall Jewellers. [About Us](#) (36 retail workers per store from 1,800 workers at 45 retail stores). Where We Are. [Internet Archive](#). September 13, 2005; Hudson Capital Partners. [Press release]. [“Whitehall Jewelers to hold bankruptcy liquidation sale.”](#) August 12, 2008; Soenarie, Angelique. [“Whitehall Jewelers going out of business.”](#) *Arizona Republic* October 29, 2008.

⁹⁰ Fernandez, Bob. [“Equity firm buying Deb Shops in \\$39.5 million deal.”](#) *Philadelphia Inquirer*. July 28, 2007; Deb Shops, Inc. [SEC 10-K](#). FYE January 31, 2007 at 4 (3,500 total employees and 336 total stores, 9 average retail workers per store); Deb Shops, Inc. Find a Store. [Internet Archive](#). June 22, 2007; Hals, Tom. [“Update 1—Cerberus-owned Deb Shops files for bankruptcy.”](#) *Reuters*. December 4, 2014; Brickley, Peg. [“Liquidators to run final sales at teen fashion retailer Deb Shops.”](#) *Wall Street Journal*. January 7, 2015.

⁹¹ Belgum, Deborah. [“PacSun sheds bankruptcy, emerging as a private company.”](#) *California Apparel News*. September 8, 2016; Pacific Sunwear of California, Inc. [SEC 10-K](#). FYE January 31, 2015 at 5 (employees) and 12 (stores); PacSun. [Find a Store Near You](#). Accessed March 2020.

⁹² Showalter, Kathy. [“H.H. Gregg going high-end at Easton.”](#) *Columbus Business First*. February 14, 2005; Gregg Appliances, Inc. [SEC Form 424\(b\)\(3\)](#). September 30, 2005 at 66 (stores) and 73 (total employees); Wahba, Phil. [“HHGregg will close all 220 of its stores after failing to find a buyer.”](#) *Fortune*. April 7, 2017.

⁹³ Fickenscher, Lisa. [“Fairway Market braces for another bankruptcy filing.”](#) *New York Post*. January 2, 2020; Fairway Group Holdings Corp. [SEC 10-K](#). FYE March 29, 2015 at 10 (total workers) and 32 (stores); Meyersohn, Nathaniel. [“Fairway files for bankruptcy with plan to keep some stores open.”](#) *CNN*. January 3, 2020; Applebaum, Eileen. [“How private equity ruined a beloved grocery chain.”](#) *Atlantic*. February 16, 2020; Fairway Market. [Press release]. [“Fairway Market secures financing for voluntary Chapter 11 to facilitate sale of assets.”](#) January 23, 2020; Village Supermarket. [Store Locator](#). Accessed September 2020. Five stores remained open as of September 2020.

⁹⁴ Li, Shan. [“Private equity firm closes deal to buy teen retailer Wet Seal.”](#) *Los Angeles Times*. April 16, 2015; The Wet Seal, Inc. [SEC 10-K](#). FYE February 1, 2014 at 10 (employees) and 22 (stores). Store count modeled to reflect private equity purchase out of bankruptcy, one-third of the stores reported at the beginning of 2014. The 2015 modeled state store count is the rounded whole integer of one-third of state stores in 2014, a total count of 179 compared to the reported 173 stores at private equity purchase. Average employees per store based on 2014 store and employee count; [“Teen apparel retailer Wet Seal files for bankruptcy.”](#) *Reuters*. February 2, 2017.

⁹⁵ de la Merced, Michael J. [“Rue21 to sell itself to Apax for \\$1.1 billion.”](#) May 23, 2013; rue21, inc. [SEC 10-K](#). FYE February 2, 2013 at 6 (stores) and 10 (employees); rue21. [All rue21 Stores](#). Accessed March 2020; Ritenbaugh,

Stephanie. "[Cranberry-based teen retailer rue21, out of bankruptcy, back to opening stores.](#)" *Pittsburgh Post-Gazette*. October 3, 2019.

⁹⁶ Cavale, Siddharth. "[Sycamore Partners to take Hot Topic private for \\$600 million.](#)" *Reuters*. March 7, 2013; Hot Topic, Inc. [SEC 10-K](#). FYE February 2, 2013 at 5 (stores) and 7 (total employees). Stores include only U.S. stores; average employees calculated for all stores and adjusted for U.S. locations; Hot Topic. [Locations](#). Accessed March 2020.

⁹⁷ Ain, Stewart. "[In brief: Retailing; Fortunoff family sells controlling interest.](#)" *New York Times*. July 31, 2005; Lowe, Zach. "[Fortunoff in bankruptcy again, and getting discount from Sidley.](#)" *AmLaw Daily*. February 6, 2009 (81 average retail workers per store from 1,800 workers at 20 stores in 2009); Chasan, Emily and Phil Wahba. "[Update 1—Judge Oks Fortunoff sale liquidations to begin.](#)" *Reuters*. February 24, 2009; Fortunoff. Store Locations. [Internet Archive](#). August 28, 2005.

⁹⁸ Hirsch, Lauren. "[Apollo Global adds grocery chain Fresh Market to shopping cart.](#)" *Reuters*. March 14, 2016; The Fresh Market, Inc. [SEC 10-K](#). FYE January 31, 2016 at 8 (employees) and 21 (stores); The Fresh Market. [Store Locations](#). Accessed March 2020.

⁹⁹ Oak Hill Capital Partners. [Press release]. "[Oak Hill Capital Partners acquires Earth Fare from Monitor Clipper Partners.](#)" April 9, 2012; Earth Fare. All of Our Stores. [Internet Archive](#). May 2, 2012 (stores not counting opening soon stores); Boyle, John. "[Earth Fare grows, some workers 'squeezed.'](#)" *Asheville (NC) Citizen-Times*. September 3, 2016 (2,500 workers at 37 stores = 68 employees per stores, 61 retail workers); Hurtbise, Ron. "[Another organic grocer is closing its doors.](#)" *South Florida Sun Sentinel*. February 3, 2030; Earth Fare Inc. [Press release]. "[Earth Fare, Inc. announces store inventory liquidation sales; company pursues sale of stores.](#)" February 3, 2020.

¹⁰⁰ Chesto, Jon. "[Here are five key factors that ensured the Market Basket deal could be reached.](#)" *Boston Business Journal*. August 28, 2014; Springer, Jon. "[Demoulas completes Market Basket deal.](#)" *Supermarket News*. December 12, 2014; Gittleson, Kim. "[Market Basket: Workers risk it all for their boss.](#)" *BBC*. August 1, 2014 (total employees); "[Great to be back together,' Artie says after Market Basket deal.](#)" *WCVB Channel 5 ABC (Boston)*. August 28, 2014 (total 71 stores at time of deal); Slade, Hollie. "[Inside the billionaire family feud that nearly killed Market Basket.](#)" *Forbes*. September 29, 2014 (29 NH stores); Feals, Jennifer. "[Maine's only Market Basket store to lay off 300 workers amid leadership protests.](#)" *Bangor Daily News*. August 7, 2014 (1 ME store). The remainder of the stores (71 - (29 NH + 1 ME)) = 41 MA; Market Basket. [Market Basket Locations](#) (66 total), [New Hampshire Locations](#) (28), [Biddeford Market Basket](#) (Maine 1). (66 total - (28 NH + 1 ME)) = 37 MA. Accessed March 2020.

¹⁰¹ Bass Pro Shops and Cabela's Inc. [Press release]. "[Legendary outdoor brands Bass Pro Shops and Cabela's to Combine.](#)" October 3, 2016 (182 average retail workers per store from Bass Pro 99 total stores, 20,000 employees); Funk, Josh. "[Bass Pro completes \\$4 billion acquisition of Cabela's.](#)" *USA Today*. September 26, 2017; Cabela's Incorporated. [SEC 10-K](#). FYE December 31, 2016 at 4 (85

total stores) and 9 (19,100 employees, 202 average retail worker per store from 19,100 workers at 85 stores); Cabela's. Our Stores. [Internet Archive](#). January 1, 2016 (stores includes announced locations); Bass Pro Shops. Retail Store Locations. [Internet Archive](#). August 2, 2016; BassPro. [Store Locator](#). Accessed March 2020.

¹⁰² Jones, Sandra M. "[Wickes plans to liquidate assets.](#)" *Chicago Tribune*. February 27, 2008; "[Sun Capital buys more of Wickes Furniture.](#)" *South Florida Business Journal*. March 30, 2004 (44 retail workers per store, 1,600 workers at 33 stores); Wickes Furniture. Showroom Locations. [Internet Archive](#). August 6, 2002 (locations does not include distribution centers).

¹⁰³ Kapner, Suzanne. "[Final markdown—Crescent Capital pays \\$177M for Loehmann's.](#)" *New York Post*. April 24, 2004; Istithmar PJSC. [Press release]. "[Istithmar completes acquisition of Loehmann's for \\$300 million; unveils expansion plans for NY retailer.](#)" July 17, 2006; Loehmann's Holdings, Inc. [SEC 10-K](#). FYE January 31, 2004 at 6 (employees) and 9 (stores, 1,361 retail only workers at 47 stores, 29 retail workers per store); Loehmann's. Where to Find Us. [Internet Archive](#). April 4, 2004; "[Loehmann's liquidation sales begin Thursday.](#)" *Seattle Times*. January 8, 2014; McClear, Sheila. "[Loehmann's, legendary discount retailer, will reopen as an online store.](#)" *New York Daily News*. April 9, 2014.

¹⁰⁴ Gunderson, Laura. "[Joe's demise 'didn't have to happen.'](#)" *Portland Oregonian*. March 27, 2009; Martinez, Amy. "[For Joe's Sports, it's the end of the line.](#)" *Seattle Times*. April 10, 2009 (average 46 retail workers per store from 1,600 employees at 31 stores); Joe's Sports, Outdoor & More. Store Locator. [Internet Archive](#). May 10, 2007 (stores).

¹⁰⁵ Beeson, Ed. "[NJ retailer Ashley Stewart files for bankruptcy, will close 27 stores.](#)" *Newark Star-Ledger*. March 10, 2014; Rhee, James. "[How I brought Ashley Stewart back from the brink of bankruptcy.](#)" *Harvard Business Review*. July 31, 2015; Ashley Stewart. "[Store locator.](#)" [Internet Archive](#). July 2, 2010. Employees per store based on 2014 store and employee count; Ashley Stewart. [Search Our Locations](#). Accessed March 2020.

¹⁰⁶ Peralta, Katherine. "[How the Charlotte icon Belk has changed under new ownership.](#)" *Charlotte Observer*. April 4, 2018; Belk, Inc. [SEC 10-K](#). FYE January 31, 2015 at 7 (retail associates) and 13 (stores); Belk. [Find a Store](#). Accessed March 2020.

¹⁰⁷ Kapner, Suzanne. "[Firm buys big stake in Betsey Johnson.](#)" *New York Post*. August 24, 2007; "[Betsey Johnson's store chain files for bankruptcy.](#)" *NBC News Channel 4 New York*. April 27, 2012 (average retail employees from 350 total employees at 63 stores); Betsey Johnson. Store Locations. [Internet Archive](#). September 30, 2007

¹⁰⁸ Thomas H. Lee Partners. [Press release]. "[Thomas H. Lee Partners acquires majority stake in Party City.](#)" June 12, 2012; Party City Holdings, Inc. [SEC 10-K](#). FYE December 31, 2013 at 15 (employees) and 29 (stores); Party City. [Store Locator](#). Accessed March 2020.

¹⁰⁹ West Marine, Inc. [Press release]. "[West Marine Inc. to be acquired by Monomoy Capital Partners for \\$12.97 per share.](#)" June 29, 2017; West Marine, Inc. [SEC 10-K](#). FYE

December 31, 2016 at 2 (stores) and 5 (associates) (14 retail workers per store from 3,831 workers at 254 stores); West Marine. [West Marine Store Locator](#). Accessed March 2020.

¹¹⁰ [“Consumer Growth Partners buys furniture retailers I.O. Metro.”](#) *Kansas City Business Journal*. January 25, 2011; Engel, Clint. [“Update: I.O. Metro renamed Erdos at Home.”](#) *Home Accents Today*. February 12, 2016; Halkias, Maria. [“Dallas-based furniture chain Erdos at Home closing stores in 7 states.”](#) *Dallas Morning News*. April 5, 2017; [“Arkansas Business of the Year: I.O. Metro.”](#) *Arkansas Business*. 2014 (6 retail workers from 104 workers at 18 stores in 2014); I.O. Metro. Locations. [Internet Archive](#). October 5, 2011 (stores);

¹¹¹ [“Equity firm buys Edwin Watts Golf.”](#) *Multi Channel Merchant*. December 10, 2003; Edwin Watts Golf. About Us. [Internet Archive](#). October 2, 2003; [“Sun Capital-backed Edwin Watts Golf Shops files for bankruptcy.”](#) *Multi Channel Merchant*. November 4, 2013; Stech, Katy. [“Bankruptcy judge clears sale of Edwin Watts retail chain.”](#) *Wall Street Journal*. December 5, 2013 (6 retail workers per store from 648 workers at 91 stores); Worldwide Golf. [Edwin Watts Golf Locations](#). Accessed February 2020.

¹¹² Nisperos, Neil. [“Ontario-based Cardenas’ Markets has new owner, find out who bought it.”](#) *Inland Valley (CA) Daily Bulletin*. November 15, 2016 (3,000 total Cardenas’ employees at 33 stores, 82 retail workers per store, and 19 Mi Pueblo stores); May, Patrick. [“Grocery chain Mi Pueblo comes out of bankruptcy protection.”](#) *San Jose Mercury News*. June 4, 2014 (Mi Pueblo 2,500 total employees at 21 stores, 107 retail workers per store); average 95 retail workers per store based on average of Cardenas and Mi Pueblo retail workers per store; Cardenas Markets; Cardenas Markets. Our Locations. [Internet Archive](#). July 10, 2015; KKR. [Press release]. [“Cardeas Markets and Mi Pueblo merge to become leading Hispanic supermarket chain.”](#) July 6, 2017; [Cardenas Markets Locations](#). Store Locator. Accessed March 2020.

¹¹³ TowerBrook Capital Partners, L.P. [Press release]. [“TowerBrook Completes Acquisition of BevMo!, a Leading Specialty Retailer of Wine, Spirits and Beer.”](#) March 1, 2007; Moody’s Investors Service. [“Rating action: Moody’s rates Beverage & More senior secured notes Caal.”](#) February 15, 2007 (stores); BevMo! [Press release]. [“BevMo!: Unions making inaccurate and misleading statements to employees.”](#) August 12, 2010 (500 employees at 104 stores, for average total workers of 4.8 per store); BevMo. [Pick Up In Store/Select Your Store](#). Accessed March 2020.

¹¹⁴ Von Bergen, Jane M. and Joseph N DiStefano. [“Forman Mills founder explains why he sold out after 31 years.”](#) *Philadelphia Inquirer*. October 10, 2016; Forman Mills. Locations. [Internet Archive](#). March 27, 2016 (store locations); Foreman Mills. [Find a Store](#). Accessed March 2020.

¹¹⁵ Hopkins, Andrea and Phil Wahba. [“Neiman Marcus sold for \\$6 billion to Canada pension plan, Ares.”](#) *Reuters*. September 9, 2013; Neiman Marcus, Inc. [SEC 10-K](#). FYE July 28, 2012 at 9 (employees) and 18 (stores); Neiman Marcus. [Store Directory](#) and [Store Locations](#) (for Bergdorf Goodman). Accessed March 2020; Unglesbee, Ben. [“Can](#)

[Neiman Marcus finally leave its baggage behind in bankruptcy?”](#) *Retail Dive*. August 13, 2020.

¹¹⁶ Thomas H. Lee Partners. [Press release]. [“Thomas H. Lee Partners invests growth capital in Bargain Hunt Superstores.”](#) December 3, 2015; Williams III, G. Chambers. [“Bargain Hunt retail chain is growing fast.”](#) *Nashville Tennessean*. May 10, 2014 (500 total employees at 23 stores means 21.7 total employees per store); Bargain Hunt. Store locations. [Internet Archive](#). August 23, 2015; Bargain Hunt. [Store Locator](#). Accessed March 2020.

¹¹⁷ Calvey, Mark. [“TPC Capital buys Los Angeles specialty grocer.”](#) *San Francisco Business Times*. February 19, 2014; Arden Group Inc. [SEC 10-K](#). FYE December 29, 2012 at 1 (stores) and 3 (total workers). Gelson’s Market. [Store Locator](#). Accessed March 2020.

¹¹⁸ Mattioli, Dana and Telis Demos. [“PetCo reaches \\$4.6 billion deal to be sold to private equity firm CVC, pension fund.”](#) *Wall Street Journal*. November 23, 2015; PetCo Holdings, Inc. [SEC S-1](#). August 17, 2015 at 85 (total employees) and 85 to 86 (stores); PetCo. [Browse by State](#). Accessed March 2020.

¹¹⁹ Rubin, Ben Fox. [“Ares Management gains control of Guitar Center.”](#) *Wall Street Journal*. April 3, 2014; Hirsch (2020); Guitar Center Holdings, Inc. [SEC 10-K](#). FYE December 31, 2012 at 11 (total employees) and 24 (stores, only including Guitar Center stores not Music & Arts facilities). Average employees counted for both GC stores and Music & Arts stores, but only count GC retail stores; Guitar Center. [Stores](#). Accessed March 2020.

¹²⁰ St. Anthony, Neal. [“Mills Fleet Farm to be sold to investment giant KKR.”](#) *Minneapolis Star Tribune*. January 5, 2016 (employees); Hirsch, Lauren and Koh Gui Qing. [“KKR in the lead to acquire U.S. retailer Mills Fleet Farm, sources.”](#) *Reuters*. December 9, 2015; Mills Fleet Farm. Visit Stores. [Internet Archive](#). January 4, 2016 (stores); Mills Fleet Farm. [Store Locator](#). Accessed March 2020.

¹²¹ [“Jo-Ann Stores to go private in deal worth \\$1.6 billion.”](#) *CNBC*. December 23, 2010; Jo-Ann Stores, Inc. [SEC 10-K](#). FYE January 30, 2010 at 7 (stores) and 10 (total employees); Jo-Ann Stores LLC. [JoAnn Fabric & Craft Store Locations](#). Accessed March 2020.

¹²² Container Store. [Press release]. [“The Container Store completes transaction with Leonard Green & Partners, L.P.”](#) August 17, 2007; Container Store. Store Locations. [Internet Archive](#). February 2, 2007 (stores); [“100 best companies to work for 2007.”](#) *Fortune*. 2007 (total U.S. workers). [Container Store](#). Find a Store. Accessed March 2020.

¹²³ Demos, Telis, Gillian Tan, and Dana Mattioli. [“Retail chain At Home Group preparing for an IPO.”](#) *Wall Street Journal*. June 1, 2015; Garden Ridge. [“Store locator.”](#) [Internet Archive](#). August 30, 2010; average workers per store calculated from 2018 figures. At Home Group, Inc. [SEC 10-K](#). FYE January 27, 2018 at 10 (employees) and 33 (stores). Average retail workers per store 27.5 (4,099 store workers in 149 stores); At Home Group, Inc. [SEC 10-K](#). FYE January 26, 2019 at 32.

¹²⁴ Cheng, Andria. [“BJ’s Wholesale going private in \\$2.8 billion deal.”](#) *MarketWatch*. June 29, 2011; BJ’s Wholesale Club, Inc. [SEC 10-K](#). FYE January 29, 2011 at 8 (total employees); BJ’s Wholesale Club. Locations. [Internet](#)

[Archive](#), May 13, 2011 (stores); BJ's Wholesale Club. [Club Locator](#) (excluding gas stations). Accessed March 2020.

¹²⁵ Spector, Mike and Dennis Berman. "[Michaels takes \\$6 billion buyout](#)." *Wall Street Journal*. July 1, 2006; Michaels Stores, Inc. [SEC 10-K](#). FYE January 28, 2006 at 12 (employees) and 20 to 21 (stores). Only includes U.S. stores, average employees per store applied to U.S. locations; Michaels Companies, Inc. [SEC 10-K](#). FYE February 2, 2019 at 20.

¹²⁶ BainCapital. [Press release]. "[Bob's Discount Furniture to be acquired by Bain Capital Private Equity](#)." December 30, 2013; Bob's Discount Furniture. Locations. [Internet Archive](#). February 3, 2014 (stores); French, Howard. "[Bob's Discount Furniture co-founder, ex-chairman Stanley Adelstein dies](#)." *Manchester (CT) Journal Inquirer*. June 26, 2014 (employees per store, 3,000 workers, 51 stores); Bob's Discount Furniture. [All Locations](#). Accessed March 2020.

¹²⁷ 99¢ Only Stores. [SEC 10-K](#). Fiscal Year End (FYE) March 27, 2010 at 3 (total stores and by state) and 10 (retail only employees); Tally, Karen and Tess Stynes. "[99 Cents Stores Oks buyout offer](#)." *Wall Street Journal*. October 11, 2011; 99¢ Only Stores. [Find a Store](#). Accessed March 2020.

¹²⁸ de la Merced, Michael. "[PetSmart accepts \\$8.7 billion buyout](#)." *New York Times*. December 4, 2014; PetSmart, Inc. [SEC 10-K](#). FYE February 2, 2014 at 5 (employees) and 15 (stores); PetSmart. [PetSmart Store Locations](#). Accessed March 2020.

¹²⁹ KKR and Co. [Press release]. "[KKR completes acquisition of Academy Sports + Outdoors](#)." August 4, 2011; Academy Sports + Outdoors. "[Store Locator](#)" and "[About Us](#)." Internet Archive. November 13, 2012 (stores and total employees); Academy Sport + Outdoors. [Store Locator](#). Accessed March 2020.

¹³⁰ de la Merced (2011); J. Crew Group, Inc. [SEC 10-K](#). FYE January 30, 2010 at 8 (total employees) and 18 (retail and factory stores); J. Crew Group, Inc. [SEC 10-K](#). FYE February 2, 2019 at 21; Friedman, Maheshwari, and de la Merced (2020).

¹³¹ Morgan Stanley Private Equity. [Press release]. "[Morgan Stanley Private Equity completes \\$310 million acquisition of Tops Market, names Frank Curci CEO](#)." December 3, 2007 (118 retail workers per store from 10,000 employees at 76 stores); Tops Markets. Store Locator. [Internet Archive](#). December 17, 2007 (3 Pennsylvania town locations, meaning 73 locations in New York); "[It's official: Senior management buys Tops from Morgan Stanley](#)." *Food Trade News*. January 10, 2014; Tops Markets. [Store Locator](#). Accessed March 2020; Robinson, David. "[It's official: Tops Markets is out of bankruptcy](#)." *Buffalo News*. November 19, 2018.

¹³² Supervalu, Inc. [Press release]. "[Supervalu, CVS and a Cerberus-led group agree to buy Albertsons for \\$17.4 billion](#)." January 23, 2006; Albertsons. [SEC 10-K](#). FYE February 3, 2005 at 5 (retail only employees) and 6 (stores); Albertson's. [SEC 10-K](#). FYE February 23, 2019 at 21.

