





**Steve Pasierb**  
President & CEO



**Skip Kodak**  
LEGO Systems, Inc.  
Board Chairman

## 2020: A PLEDGE FULFILLED NOT TO DROP A SINGLE BALL

The Toy Association’s relentless focus on mission, service, agility, and excellence in implementation was never more important than in a year like 2020. Each staff member, department, member company volunteer populating one of our many committees, as well as the Board of Directors, united to make certain every existing priority was advanced, and each new risk or opportunity seized upon.

As the toy and play community came together in late February for the largest Toy Fair New York in its long history, less than one month later every aspect of our lives and society was impacted by the COVID-19 pandemic. Your Association shifted rapidly to create actionable toolkits, critical resources, and interventions for toy sellers, retailers, and others in the business of toys – among myriad other actions.

Our team mobilized to hold town hall meetings and maintained constant communication with members in need, lending our direct help and support. As uncertainty reigned, regulatory and legislative threats to member businesses across North America and around the world did not cease, requiring decisive advocacy and actions. Problems such as Intellectual Property (IP) protection demanded we continue to push back on counterfeits and identify practical solutions that could be implemented in e-commerce marketplaces voluntarily, or via statutory action if necessary.



With investments made in technological innovations as far back as 2013, your Association pioneered in effectively connecting sellers and buyers by driving product discovery and sales through Toy Fair Everywhere market weeks and retailer private previews. Meanwhile, impactful communications played an essential role in advancing the industry with specific messaging strategies for consumers, industry, and key decision-makers.

Likewise, The Toy Foundation demonstrated best practices in philanthropy, quickly making pandemic-related cash grants to nonprofits across the nation while pivoting to design two new signature programs: one to provide aid to children’s hospitals in underserved communities, as well as a Diversity, Inclusion, Equity and Access initiative to drive culture reset and a pipeline of diverse talent into the toy industry – all the while strengthening and expanding their governance board.

As with your companies, we are all about staying alert and nimble to sense shifts, seize opportunities, and attack risks. While there was dramatic growth and many unprecedented successes for the U.S. toy industry in 2020, impacts were uneven with many companies seeing market opportunities cut off and sales deteriorating. In this uncertainty, we moved quickly to reduce expenses, secure our financial plan without 2021 event revenue, and maintain high levels of service despite staff reductions.

The Toy Association exists to serve each and every one of our hundreds of members, from the very smallest start-ups to established household names. Our commitment to you, your people, your consumers, and our collective wonderful industry is steadfast and secure.



## ADVOCATING FOR YOUR BUSINESS

Despite worldwide disruptions caused by the pandemic, The Toy Association continued to defend the industry in the halls of government – here at home and around the globe. From intellectual property protection to acting on over 100 state bills negatively impacting toys & games, the team pushed back on threats and addressed urgent challenges on behalf of the entire toy, play, and youth entertainment community.

### 2020 HIGHLIGHTS

#### STATE

- Analyzed over **1,000 pieces** of state legislation and acted on over **100 bills**. As a result, no legislation was enacted that would negatively impact companies.
- Secured significant amendments to the New York chemical disclosure program and began working with the Department of Environmental Conservation on priority rulemaking issues.
- Worked to address key industry issues as a member of the Rule Advisory Committee for the final phase of the Oregon Toxic Free Kids Act rulemaking.

#### FEDERAL

- Held a virtual **Intellectual Property (IP) Fly-In**, creating a forum for members to meet with more than two dozen congressional offices and hear special presentations from three Members of Congress about key pieces of legislation that address the wave in illicit counterfeits in the e-commerce space.
- Released a second **IP White Paper** outlining the industry's concerns about counterfeits on e-commerce platforms and multi-stakeholder solutions to the problem.



- Formed working groups with members and Toy Association staff to provide feedback on the Children's Advertising Review Unit's (CARU) efforts to update children's advertising guidelines.
  - Leveraged TOYPAC (the toy industry's Political Action Committee) and key voices in the U.S. House and Senate via The Toy Association's bi-partisan Congressional Toy Caucus.
- #### INTERNATIONAL
- Coordinated international advocacy efforts with global toy trade associations and other partners on more than **25 toy regulatory issues** in various countries and regions (including Brazil, India, Indonesia, Australia, Korea, European Union, Philippines, Vietnam, Morocco, Saudi Arabia, UAE, and Egypt, among others).
  - Continued to advocate for the adoption and/or recognition of international standards; achieved successes with Colombia and Australia, both of which now recognize ASTM F963 as acceptable for their countries.

- Worked directly with our colleagues at The All India Toy Manufacturers' Association and supported the Asia Toy & Play Association's (ATPA) advocacy related to the India Quality Control Order, resulting in the delay of its implementation until January 2021.
- Supported the British Toy & Hobby Association's (BTHA) advocacy, resulting in the UK's delay of requiring conformity assessment marks (UKCA) on toys until January 2022.
- Helped secure a planned reduction in Brazil toy tariffs of 43 percent by December 2021.



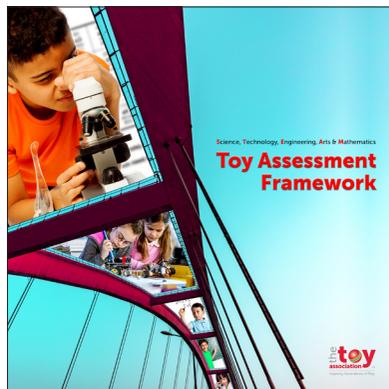
## SPARKING INDUSTRY INNOVATION

Whether our members were seeking new business opportunities, looking for inspiration, or in need of assistance in overcoming obstacles, we delivered. In 2020, we advanced our cadre of global market research, unveiled new trend reports and STEAM research, and hosted webinars to help your company advance amid the global crisis and the ever-evolving toy, consumer, and retail landscape.

### 2020 HIGHLIGHTS

- Hosted **21 educational webinars** attended by thousands of registrants. Covered timely topics involving pandemic relief and guidance, as well as diversity and inclusion within the industry. Net promoter surveys to measure member satisfaction averaged a score of 55, which is considered **“excellent”** on a scale of -100 to +100.
- Released 12 new TrendHunter reports (one each month), available exclusively to members.
- Presented The Toy Association’s first-ever **Mid-Year Toy Trends Briefing** during Toy Fair Everywhere in August. The trends update was shared due to the exceptional circumstances tied to the pandemic and its impact on consumer shopping habits and play.
- Made The NPD Group’s Global Toy Market report (including new trend and market data) available to approximately 100 Toy Association members.
- Premiered global research on Japan, including a market entry report and an overview of the Japanese kid consumer; and a new in-depth consumer research report on the American kid consumer.

- Developed new **“STEAM Toy Assessment Framework”** to provide uniform guidelines for the toy industry to create and market STEAM toys.

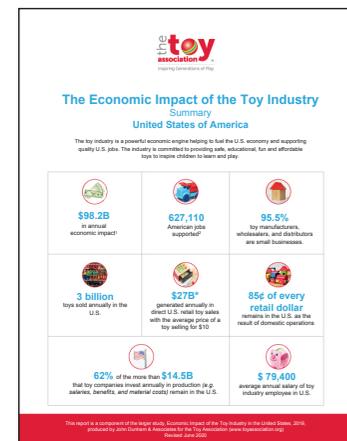


- Featured speakers from Mattel, Learning Resources, Klutz, and LeapFrog/Vtech on a panel during virtual “City of STEM” festival, attended by thousands of families and educators.

- Reinforced connection between play and teaching STEAM with new play-based lesson plans for teachers and expert advice articles on [www.thegeniusofplay.org](http://www.thegeniusofplay.org).

- Redesigned our annual Economic Impact (U.S., state, and district) reports, making them more user-friendly for political leaders and key stakeholders.

- Issued an updated Domestic Investment in the U.S. Toy Industry Report.



## RE-ENERGIZING OUR MARKETPLACE EVENTS

When the pandemic struck, our mantra was to “pursue the possible” and position our members for success by finding innovative ways to work around the restrictions on gatherings, face-to-face meetings, and business travel. We took a hybrid approach to our ever-expanding portfolio of go-to-market events, providing in-person, digital, and customized business solutions and growth opportunities for all members of the global toy & play community .



### 2020 HIGHLIGHTS – TOY FAIR NEW YORK

- Held a sold-out **Toy Fair New York '20** weeks before the world shut down. The internationally-renowned show delivered on its promise to forge and deepen business connections; open doors to global selling prospects; help companies garner valuable international media exposure; provide access to finance professionals and market analysts; and deliver top-notch educational programming.



*Skip Kodak, Bob Wann, Steve Pasierb, Shaquille O'Neill and Mitchel Wu at Toy Fair New York, 2020*

- Welcomed Shaquille O'Neill and toy photographer Mitchel Wu to the ribbon-cutting ceremony on opening day.

- Launched **StoryCorps/Generations of Play** to capture and chronicle the human history of the toy industry by allowing members of the toy and children's entertainment community to share and record their personal stories. Fifteen of the full-length interviews with industry icons are now housed in the Library of Congress.

- Expanded Toy Fair's **Creative Factor** programming, with more than 100 speakers providing ongoing support to the global inventor/designer community.

- Hosted Toy Fair's first Student Congress, welcoming 347 students from 34 universities. A Toy Industry Professional Panel and an Innovation & Creativity Workshop helped students understand the scope of available careers within the toy industry and got their creative juices flowing.

- Toy Fair New York 2022 from February 19 to 22 will be held in the newly expanded Jacob K. Javits Convention Center.

### 2020 HIGHLIGHTS – DIGITAL & CUSTOMIZED SOLUTIONS:

- Created and executed **Toy Fair Everywhere**, an expanded digital wholesale marketplace, at the onset of the pandemic. Helped toy sellers, buyers, distributors, sales reps, media, and other key industry stakeholders refocus their 2020 plans and continue to conduct business during the darkness of COVID-19. Toy Fair Everywhere migrated to a year-round digital platform in February 2021.

- Launched three successful Toy Fair Everywhere summer market weeks featuring 209 companies (847 brands) and 33,339 products. The market weeks were attended by 3,027 unique buyers; international attendance was 14 percent, compared to 12 percent at the in-person Toy Fair New York.

- Nimble enacted a series of seven **virtual private previews** for major retailers in the

fall, so the activities usually scheduled for Toy Fair Dallas and elsewhere could continue in the ongoing absence of in-person events. More than 130 member companies participated these customized previews with buyers from Target, Target Plus, Meijer, Toys“R”Us Canada, Family Dollar, Spencer's and Urban Outfitters.



## CHAMPIONING THE POWER OF PLAY

2020 saw a strategic refocusing of our communications to shine a spotlight on the many ways in which all forms of play could benefit homebound families dealing with the stress and logistical issues caused by the pandemic. The Genius of Play positioned play as a critical tool for learning remotely and bringing joy to kids and parents in uncertain times, and the trends team offered advice for at-home learning and play, highlighting our members' incredible products in nearly 50 broadcast TV segments (filmed via Zoom), viewed by millions of families across the nation. We also maintained our year-round toy safety messaging and shared useful consumer shopping tips so that parents would feel confident purchasing toys from legitimate, verified sellers whose products comply with our nation's 100+ strict safety laws.

### 2020 HIGHLIGHTS – TOY & PLAY PROMOTIONS

• Highlighted members' toys and games as go-to resources to help families learning remotely as well as those seeking new ways to engage with friends while under stay-at-home orders:

- 270 companies were featured in 47 TV segments, reaching an audience of more than 4.4 million.
- 121 companies were featured in global trade and consumer articles.
- In total, **375 unique toys & games** were promoted on TV and in print.

• Launched a new Genius of Play PSA campaign, **“Worldwide Headquarters of Play,”** to position play as “critical to our physical and emotional well-being at any age.” Combined media value generated by all PSA campaigns in 2020 exceeded \$17.7 million.



Genius Of Play PSA, Worldwide Headquarters of Play

• Reinforced the importance of playing together as a family through the **“Play Today”** campaign, which generated 366 million media impressions and 22 million social impressions.

• Developed a host of online resources for families at [geniusofplay.org](http://geniusofplay.org), including timely Expert Advice articles, new “Play & Learn” ideas, and downloadable activities to keep play going at home. Created a new opportunity for member companies to feature their experts in the Expert Advice series.



Genius Of Play, Play Ideas

• Positioned play as a learning tool by surveying parents on the subject of play and learning during the pandemic, securing wide media coverage of the results.

• Highlighted more than 190 member products and Toy of the Year finalists in giveaways on Facebook and Instagram and featured over 100 members' toys on [geniusofplay.org](http://geniusofplay.org) in “Cool Toy Picks.”



KTLA Morning News TV segment with Jennifer Lynch of The Toy Association.

- Partnered with the Canadian Toy Association (CTA) to expand The Genius of Play into Canada with a television media tour, syndicated articles, and partnerships with key parenting influencers, reaching 4.6 million people and increasing Canadian traffic to the GOP website by 60 percent.



Adrienne Appell, SVP, Marketing Communications with Courtney Dempsey of Good Day Sacramento

- Revealed the prestigious Toy of the Year (TOTY) Award finalists through exclusive announcements by top online influencers, generating over **25 million impressions** ahead of the holiday season. The PR team “hit the road” virtually to feature the finalists in TV segments aired nationwide, including spots in Los Angeles, Chicago, Charlotte, Philadelphia, Sacramento, Dallas, and Detroit. More than 120,000 consumer votes were cast at [toyawards.org](http://toyawards.org).

## 2020 HIGHLIGHTS – SAFETY

- Notable decline in media interest in the NGO holiday “toy safety” reports released by U.S. PIRG and WATCH, attributed in part to The Toy Association’s ongoing **aggressive safety communications**:
  - PIRG received about half the number of media placements in 2020 as compared to 2019 (386 compared to 734). Our statement was included in 42 percent of coverage (+12 percent year-over-year.)
  - WATCH received 528 fewer media placements (1,108 placements this year vs. 1,636 placements in 2019). Our statement was included in 81 percent of all print/online WATCH coverage.
- Conducted a survey of **1,000 U.S. parents** to learn about their holiday shopping plans and knowledge of counterfeits sold online, as well as other safety topics. A national announcement explaining the implications of the results and reminding parents and other caregivers about how to identify counterfeits and age-appropriate toys was made ahead of the vital holiday season.
- Placed a safe shopping tips article based on the survey and information on dangers of counterfeits in 1,000+ print and online publications nationwide reaching an audience of **140 million** over the course of the holiday season and beyond.



## PHILANTHROPY

The broad toy and play community's unwavering generosity and dedication to serving children allowed The Toy Foundation (TTF), through its signature Toy Bank program, to serve just under 4 million children in 2020. New and ongoing partnerships and campaigns also raised cash revenue so that The Toy Foundation could quickly pivot and provide grant funding to organizations serving 2 million children and parents hit hard by the pandemic.

### 2020 HIGHLIGHTS

- Generated \$414,000 in revenue from The Toy Foundation's 2020 Tribute Book campaign (+4% over 2019) and \$111,950 in sponsorship revenue from the '20 Toy of the Year Awards program.

- TTF partnered with Target.com to feature Toy of the Year (TOTY) Award finalists, raising \$270,000 in cash revenue from participating companies.



*The Toy Foundation, Tribute Book*

- Distributed \$353,000 in TTF grant funding to various organizations for **pandemic relief** efforts, serving 2 million children with food, toys, play therapy support, grief and domestic violence support, and comfort and healthcare attention.

- Received \$42,125 in contributions for the **Leaders Circle**, an individual donation program that funds The Toy Foundation's core programs.

- North of the border at the Canadian Toy Association (CTA), Canadian manufacturers donated \$265,000 worth of product to children in need living in the most remote parts of Canada through CTA's Toys for the North Program.



## FINANCIALS (\$ in Thousands)

### STATEMENTS OF FINANCIAL POSITION as of December 31

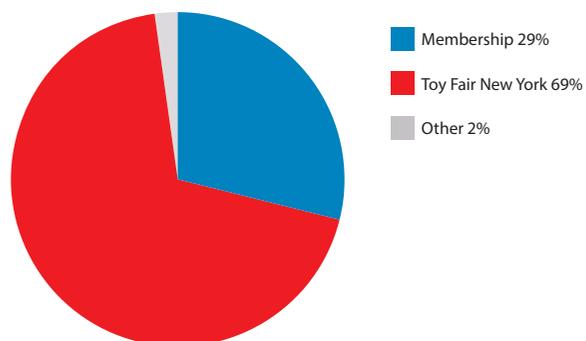
<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
Cash and investments	\$35,177	\$37,425
Trade show, dues and other receivables, net	144	45
Prepaid expenses and deposits	724	1,486
Property and equipment, net	1,601	2,035
<b>TOTAL ASSETS</b>	<b>\$37,646</b>	<b>\$40,991</b>
<b>LIABILITIES &amp; NET ASSETS</b>		
Accounts payable and other liabilities	\$3,402	\$2,701
Trade show, dues and other deferred income	6,552	16,666
<b>TOTAL LIABILITIES</b>	<b>9,954</b>	<b>19,367</b>
UNRESTRICTED NET ASSETS	27,692	21,624
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$37,646</b>	<b>\$40,991</b>

### SUMMARY STATEMENTS OF ACTIVITIES

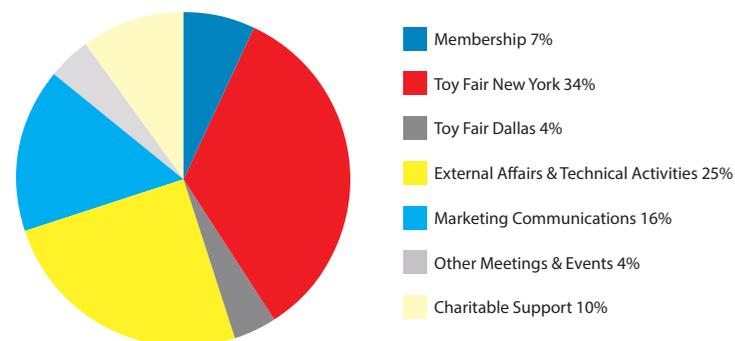
Years Ended December 31, 2020 and 2019

	<b>2020</b>	<b>2019</b>
Program revenue	\$20,679	\$21,141
Program expenses	13,605	16,768
Administrative expenses	3,998	4,058
<b>OPERATING SURPLUS</b>	<b>3,076</b>	<b>315</b>
Non-operating income (loss)	2,992	3,847
<b>INCREASE/(DECREASE) IN NET ASSETS</b>	<b>\$6,068</b>	<b>\$4,162</b>

#### 2020 PROGRAM REVENUE



#### 2020 PROGRAM EXPENSES



## 2020 Board of Directors



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Regional President – Americas  
The LEGO Group

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Vice Chair  
President & CEO  
KidKraft, Inc.

#### **Jennifer Caveza**

Secretary-Treasurer  
President  
majorTOY

#### **Timothy Kilpin**

Member at Large  
President  
PlayMonster, LLC

#### **Steve Totzke**

Member at Large  
Chief Commercial Officer  
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#### **Steve Pasierb**

Ex Officio  
President & CEO  
The Toy Association

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Toy 'N Around

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