



A World of Possibilities

A Word from Your President & Chair

**Whatever it takes.
Wherever we need to be.**



Steve Pasierb
President & CEO

A handwritten signature in black ink that reads "Steve Pasierb". The signature is stylized and cursive.



Bob Wann
Chairman, 2018-2020

A handwritten signature in black ink that reads "Bob Wann". The signature is stylized and cursive.

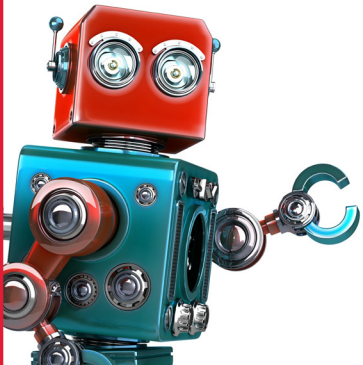
Much is said and written about dramatic changes in the toy industry and retail sector. The fact is, change takes on far more facets and the rate of change is increasing exponentially. Your association represents over 1,100 members, toy companies of all sizes and types, major retailers, specialty retailers, designers, inventors, testing labs, sales representatives, consultants, and beyond. Each with unique needs, each defining the challenges and opportunities of change quite differently. Our commitment remains to serve all.

Today, that means swiftly developing strategies on emerging issues and operating with strategic agility. Speed and the ability of our team to shift from issue to issue being paramount. And delivering results. Our staff, board, and volunteer committees of members continually shape policy and regulation at the state, federal, and international levels. In 2019, that meant addressing some 300 pieces of local legislation; daily work with a range of federal agencies, Capitol Hill, and the Administration; and conducting global advocacy in 40 nations around the world. Our work on China tariffs and intellectual property protection may have grabbed headlines, but the vast range of issues we tackled and our global reach far surpassed those.

At the same time, we are driving the conversation for parents and families about the proven developmental value of toys and play as well as how to assure they keep children safe at play. We take very seriously our role in representing members' steadfast commitment to product safety and testing. Likewise, we inform and support members with innovative research, trends data, conferences, content, and networking events. All the while delivering impactful digital-first, social, and traditional media communications inward to the industry and outward to the world.

Delivering dynamic marketplaces and fostering a vibrant toy community most notably take the form of Toy Fair New York, Toy Fair Dallas, ShopToys365.com, and a range of efforts to assist the toy inventor and designer community. We support great organizations like The Toy Foundation, The Strong Museum of Play, and the Fashion Institute of Technology (FIT) and Otis College of Art and Design toy design programs. These vibrant events and collaborations deliver on a promise to help more members sell more products through more doors more often, but they are also essential to sustain the association's activities, advocacy, research, and communications that defend and advance the entire toy and play community.

We consider ourselves blessed with the opportunity to do the work with a talented and highly engaged professional staff, committees that harness the abilities of our member companies, and the dedication of those serving on the Board of Directors. Together we embrace change, know uncertainty and disruption will lie ahead, and gratefully take on the challenge and awesome responsibility to protect and promote your businesses.



Fighting to Protect Your Business

Tariffs on Toys: New rounds of Section 301 China tariffs and constant talks of additional tariffs drove a level of unpredictability throughout 2019 that made it extremely difficult for manufacturers and retailers to effectively plan their businesses. We worked tirelessly to target the Administration, crucial government agencies, the U.S. Trade Representative, and dozens of influential Capitol Hill offices to ensure the toy community's voice was heard loud and clear as tariffs continued to escalate. We staved off toys from being included in earlier tariff rounds and saw the fruits of our collective efforts in early 2020 with the signing of a phase one trade deal with China.



President & CEO Steve Pasierb appears on Fox Business to discuss industry's tariff concerns.

On your behalf, we:

- Took a leadership role in the Americans for Free Trade and Tariffs Hurt the Heartland coalitions, alongside our colleagues at the National Retail Federation, adding weight and impact to these efforts alongside a range of other industries and sectors.
- Launched the nationwide Don't Tax Toys initiative, fueling videos and an extensive grassroots, consumer, and social media marketing campaign targeting key influencers.
- Hosted a DC Fly-In for members and worked on Capitol Hill daily to secure supporters and messengers willing to reach out to the Administration.
- Drove media awareness of the negative impact of tariffs via a national press release and worked with members to conduct interviews on the subject with print, online, and broadcast outlets including: Fox Business AM, CNN.com, The Los Angeles Times, South Florida Business Journal, and The New York Times.

Intellectual Property Protection: Recognizing that unsafe and illegal counterfeit toys have the potential to undermine the commitment of our members and foundation of the toy industry, The Toy Association and our members maintained a high level of focus and activity on counterfeits throughout 2019. We were aggressive in our efforts to eliminate these irresponsible sellers and illicit products and remain vigilant regarding this threat.

Here's how we helped:

- Educated and demanded action from lawmakers by participating in a roundtable meeting with top White House officials; testifying before Congress about the dangers of counterfeits; and having ongoing consultations with top government officials, enforcement agencies, and online marketplaces.
- Released "The Real Threat of Fake Toys" white paper with the Intellectual Property Protection Committee to explore factors contributing to the rise in counterfeits and potential solutions to the problem.
- Hosted an IP meeting for member companies attended by representatives of Amazon, eBay, and Walmart, with discussions focused on approaches to removing unsafe counterfeits from e-commerce platforms.
- Provided counsel on the bipartisan Stop All Nefarious Toys in America Act (SANTA Act), which requires online marketplaces to verify third-party seller information and disclose key seller details to consumers.



The Toy Association hosted a Fly-In with congressional leaders on Capitol Hill to oppose tariffs on Chinese imports and help small businesses.



The Real Threat of Fake Toys



A World of Opportunities

Protecting the toy and play community and ensuring the continued ability of our members to do business in the U.S. and global markets remains a key pillar of The Toy Association. Beyond the threat of tariffs and IP theft, our day-to-day efforts focused on global advocacy in more than 40 countries; hundreds of legislative proposals at the state level; and issues related to compliance, technical barriers to trade, assuring the safety of children both online and off, and more.



A delegation from China visits the Association's Washington, DC headquarters to discuss political issues affecting the toy industry in both nations.

On your behalf, we:

- Advanced the alignment of the United States' ASTM F963 and global ISO 8124 toy safety standards (e.g., microbiological requirements from ASTM F963 are now being proposed for adoption into the ISO standard).
- Brought expertise and balance to the federal Environmental Protection Agency's (EPA) regulation of several chemicals used in toys; secured exemption from TSCA risk assessment fees and self-identification burdens for importers of articles containing high-priority chemicals.
- Defeated or amended more than 300 legislative proposals across more than 15 states that would have created new requirements for children's products that did not add to safety. Monitored issues of concern in 24 additional states and secured reporting exemptions in Oregon for four materials widely used in the toy community.



Joan Lawrence, SVP of standards and regulatory affairs & chair of the ASTM toy safety subcommittee, receives ASTM's Margaret Dana Award for her leadership and commitment to the protection of children.

- Worked closely with members of our Children Online Safety Committee to submit public comments on proposed regulations for the California Consumer Privacy Act (CCPA) and the Federal Trade Commission's (FTC) review of the effectiveness of the Children's Online Privacy Protection Rule (COPPA). Testified at FTC's workshop discussing the future of COPPA and provided important insight as an industry that has made COPPA compliance a priority since its inception 20 years ago.
- Innovated through the introduction of a Safety Education Program and International Database of Standards and Regulations to help member companies of all sizes comply with state, federal, and international regulations and standards. To date, 314 individuals have participated in the Safety Education Program with 95 certificates earned and counting.
- Provided members access to the Smart Packaging Initiative, which helps manufacturers produce more eco-friendly package designs.
- Maintained our commitment of sustaining support for the Canadian Toy Association (CTA).



Rebecca Mond, VP of federal government affairs, presents at the Guangzhou International Toy & Education Fair.

Your Success—Our Priority

The team at your Association is committed to empowering toymakers, retailers, inventors, and designers of all sizes and types as they seek new business opportunities, navigate obstacles, and develop innovative products in a rapidly evolving consumer and retail landscape. In 2019, we unveiled insightful global market research, trends reports, impact studies, and other actionable content, and hosted conferences and activities to widen your networks, deepen your connections, and drive your success.



Children & Influencer Platforms Study

Here's how we helped:

- Hosted 26 informative webinars covering everything from industry trends and market research to brand protection & business issues; safety, privacy and social responsibility; and PR & promotions. Recorded a 19 percent year-over-year increase in webinar participation among members.
- Debuted global market research on China and Brazil, including marketplace entry overviews and consumer research.
- Partnered with The NPD Group to conduct global toy market research on behalf of the International Council of Toy Industries (ICTI) as well as a popular research report on trends in collectibles.
- Published 12 monthly Trend Hunter reports exclusively for members covering a range of innovations and trends across parallel industries impacting toys.
- Compiled the fourth bi-annual member Financial & Operating Benchmark Study.
- Published the Children & Influencer Platforms Study conducted by The NPD Group exclusively for Toy Association members.
- Commissioned an economic impact study on the negative impact of tariffs on the toy community, research on navigating growth in the absence of Toys“R”Us, and an analysis of the National Electronic Injury Surveillance System of Toy-Related Injuries.
- Hosted the Annual Business Conference in Minneapolis in close collaboration with Target’s leadership and toy division. Target executives offered need-to-know content and strategies to help member executives grow their businesses.
- Reenergized the Young Professionals Network (YPN); the Toy Fair New York networking event drew more than 150 attendees, the largest crowd for a YPN event to date.
- Established a Diversity & Inclusion Committee to highlight diversity – and the need for more of it – in the toy industry. Published an inaugural report highlighting the plans, practices, programming, and metrics committee members currently utilize to prioritize diversity and inclusion within their businesses.



Goodbye Old Friend: Navigating Growth Without the Old Toys 'R' Us Model





Strong Marketplace Events & Collaborations

Fun is our business! The world-renowned Toy Fair New York and long-lead Toy Fair Dallas are can't-miss tradeshows for tapping into the \$27 billion U.S. domestic toy market and key markets around the globe. We continue to build out our shows and collaborate with like-minded organizations to enhance our offerings and opportunities for all in the business of toys and youth entertainment.



The ribbon is cut at Toy Fair New York, the largest toy show in the Western Hemisphere.

Here's how we delivered:

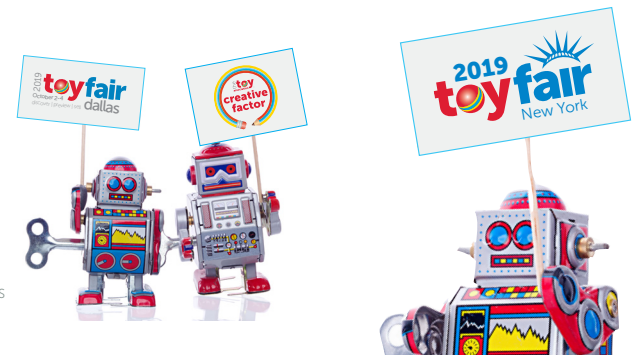
- Produced the largest toy show in the Western Hemisphere for 26,000 attendees hailing from 98 countries. Another sold-out Toy Fair New York offered a sneak peek at hundreds of thousands of ground-breaking and creative toys and games spread out across 447,300 net square feet of exhibit space.
- Improved Toy Fair New York's ranking on the Trade Show Executive Gold 100 list, which highlights the leading domestic trade shows in the U.S. that "set the gold standard." The show was ranked 34th, up one place from its previous ranking of 35th place.
- Enhanced year-round, global efforts to support the toy inventor and designer community. Initiated a Creative Factor Advisory Board to address widening interest in the creative process and develop resources that support innovation. Launched the inaugural CF@TF (Creative Factor at Toy Fair) Inventor Day, allowing inventors and designers to pitch directly to interested manufacturing partners at Toy Fair New York. Doubled submissions for CF@TF in preparation for Toy Fair New York 2020.

- Supported the ChiTAG TAGIES, Mojo Nation's Play Creators Festival (UK), and the toy design departments at the Fashion Institute of Technology (New York City) and Otis College of Art & Design (Los Angeles).
- Succeeded in once again delivering an influential Toy Fair Dallas, which showed strong support from the buying community. The Dallas experience was enhanced by the introduction of the retailer-inspired FutureCast Gallery predicting the next wave of toy and play trends and serving as a hub for educational seminars and workshops held at the show.



The new FutureCast Gallery at Toy Fair Dallas is a hub of ideas and innovation.

- Continued to expand and launch new features within ShopToys365.com, the toy industry's only B2B digital marketplace and social platform that connects global toy buyers and suppliers 24/7/365.
- Partnered with Magic Wheelchair, a non-profit that builds epic costumes for kids in wheelchairs, to unveil wheelchair costumes for two children at Toy Fair New York and Toy Fair Dallas.



Persuasive Communications

Effectively reaching a range of audiences—from legislators to the media to toy-buying consumers—is at the core of our communications strategy. Throughout 2019, we remained committed to promoting our members' outstanding innovations and spread awareness about hot button issues essential to the health and well-being of the toy industry.



PlaySafe.org is promoted in Times Square during the holiday season.

On your behalf, we:

- Advanced our unwavering, year-round efforts to educate consumers on how to keep their kids safe at play by offering important new and evergreen safety tips for families on PlaySafe.org and social media, while also promoting the toy industry's positive track record for producing safe toys that meet all guidelines and requirements.
- Commissioned a U.S. national survey of toy-purchasing parents, the results of which were used to create a safety infographic and tips to help shoppers identify and avoid counterfeit toys on major online marketplaces. The tips were placed by several outlets, including Real Simple, garnering more than 28 million total impressions, as well as by social media influencers whose posts featuring our tips generated 62.2 million impressions and 6,300 engagements.

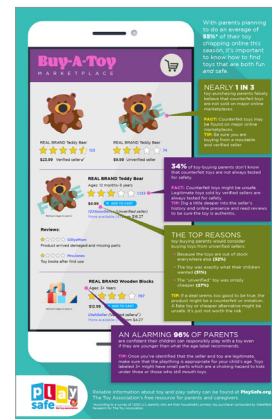


Adrienne Appell, toy trend spokesperson, highlights Toy of the Year Award (TOTY) finalists on Good Morning Washington.

- Widely disseminated a consumer-friendly safety video as part of a multimedia release that was picked up by 128 outlets with a potential audience of 71 million. The video was filmed at a toy testing lab and includes an overview of toy safety tests and lab footage, and interviews with The Toy Association and an emergency room physician about safe play.
- Continued to shift the tides in favor of facts and verifiable data about the safety of all toys sold in the U.S., with Toy Association statements and interviews refuting the false claims made by NGOs included in 54% of all coverage for the two major toy "safety" reports. There were 20% fewer media placements of U.S. PIRG's report and 9% more coverage featuring The Toy Association's statement versus 2018.
- Promoted 341 products from member companies in TV segments and global trade and consumer articles. 138 companies were featured in print; 77 companies were included in broadcast segments. Toy industry trends and products were also promoted in front of influencers, media, and retailers attending Toy Fair New York, the ASTRA Marketplace & Academy, ACD Games Day, and more.



Trend articles featuring members' products were regularly featured in trade magazines worldwide.



A Q4 infographic helped shoppers identify and avoid counterfeits sold on major online marketplaces.



The Power Of Play

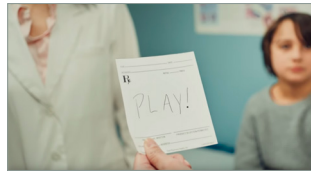
From The Genius of Play and The Toy Foundation to our prestigious Toy of the Year Awards program and brand-new STEM/STEAM research, our work continues to underscore play's essential role in every child's life. We worked day-in and day-out to share the power of play, toys, and games with families across the nation and around the world.



Ken Seiter, executive vice president of marketing communications, talks about play's role in teaching STEM and other 21st century skills in front of congressional staffers in Washington, DC.

Here's how we delivered:

- Launched the industry's first-ever month-long celebration of play – The Genius of Play's "Play All May" – which garnered more than 540 million media impressions. Promoted products from 193 Toy Association member companies through Play All May giveaways as well as additional social media campaigns throughout the year, including Summer Boredom Busters and Genius Play Pix.
- Built understanding and acceptance of the vital importance of play with PSA campaigns that aired more than 60,000 times in 163 markets, delivering more than \$20 million in media value. On social media, the "Prescription for Play" PSA video generated more than 6.5 million views and more than 190,000 engagements.
- Grew consumer engagement with The Genius of Play: social media engagements increased by 45 percent year-over-year; Instagram followers more than doubled; and visits to TheGeniusofPlay.org grew 113 percent during Play All May.



Prescription for Play PSA garners 6.5 million views.



- Increased nominations for the prestigious Toy of the Year (TOTY) Awards by 14 percent and introduced the new STEM/STEAM category to reflect industry trends. Finalists were revealed through exclusive unboxing videos by high-profile YouTubers, such as Family Fun Pack (8.3 million subscribers), HZHtube Kids Fun (6.4 million subscribers), and That YouTube Family (3.1 million subscribers). The PR team then hit the road to feature finalists in TV segments across the country, including spots in Dallas, Chicago, Detroit, San Francisco, and Washington, DC.
- Launched the nomination and submission process for "Generations of Play, An Oral History" in partnership with StoryCorps. The project allows members of the toy and children's entertainment community to share and record their personal stories to capture and chronicle the human history of the toy industry, with the potential to be included in the Library of Congress.
- Released a "STEM/STEAM Formula for Success" report, featuring 14 unifying characteristics of STEM/STEAM toys, which received more than 75 pieces of high-profile media coverage. This extended to presentations and panel discussions at CES, Toy Fair Dallas, on Capitol Hill, and at the Shanghai International STEAM Education Expo.
- Raised nearly \$1 million in cash donations from members of The Toy Association and served close to 1 million children in need with donated toys in all 50 states via The Toy Foundation.
- Rallied nearly 500 toy industry employees to donate their time at several "Play Your Part" events held in cities across the U.S. Volunteers animated activities and handed out brand-new toys and games to hundreds of underserved children in attendance.



"STEM/STEAM Formula for Success" delivers best practices for developing and marketing toys that prepare kids for STEM careers.



Children in need are gifted brand-new toys at the Play Your Part Boston industry volunteer event.

Financials *(\$ in Thousands)*

STATEMENTS OF FINANCIAL POSITION *as of December 31*

ASSETS

	2019	2018
Cash and investments	\$37,425	\$31,345
Trade show, dues and other receivables, net	49	114
Prepaid expenses and deposits	1,486	1,664
Property and equipment, net	2,035	2,418
TOTAL ASSETS	\$40,995	\$35,541

LIABILITIES & NET ASSETS

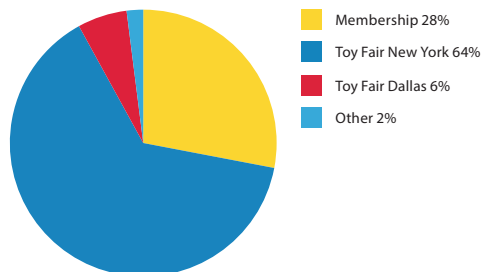
Accounts payable and other liabilities	\$2,546	\$2,314
Trade show, dues and other deferred income	16,662	15,579
Investment deficit in Play Fair, LLC	159	186
TOTAL LIABILITIES	19,367	18,079
UNRESTRICTED NET ASSETS	21,628	17,462
TOTAL LIABILITIES AND NET ASSETS	\$40,995	\$35,541

SUMMARY STATEMENTS OF ACTIVITIES

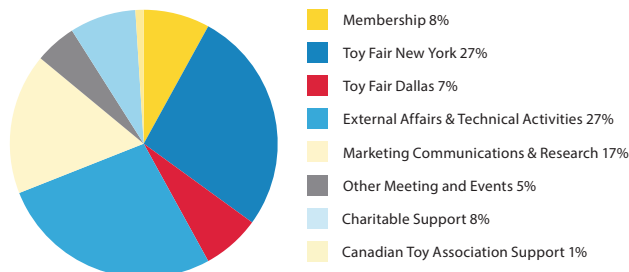
Years Ended December 31, 2019 and 2018

	2019	2018
Program revenue	\$21,141	\$20,838
Program expenses	16,768	16,764
Administrative expenses	4,058	3,986
OPERATING SURPLUS	315	88
Non-operating income (loss)	3,851	(1,543)
INCREASE/(DECREASE) IN NET ASSETS	\$4,166	(\$1,455)

2019 PROGRAM REVENUE



2019 PROGRAM EXPENSES





2019 Board of Directors

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Inspiring Generations of Play





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