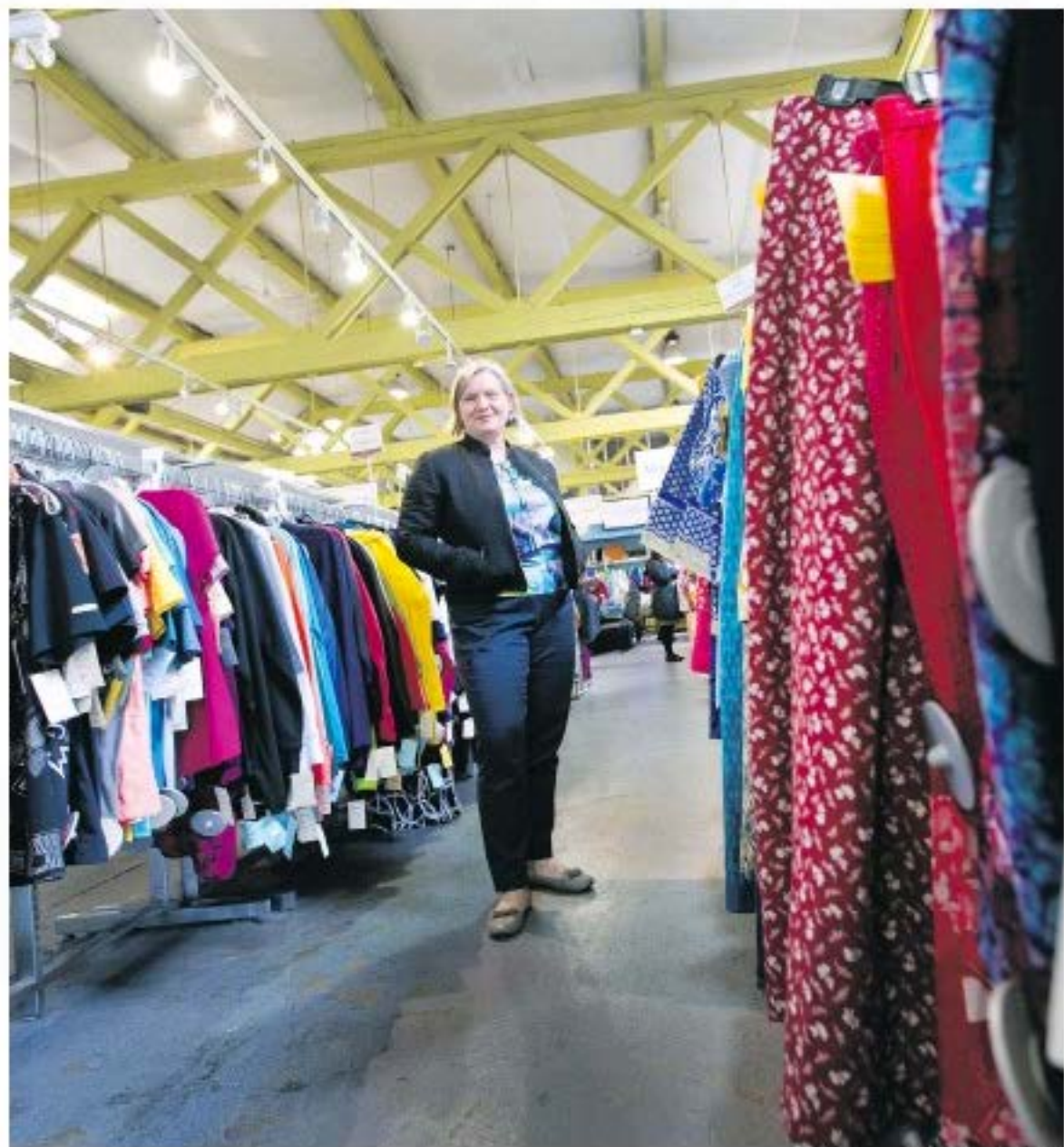


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Women In Need executive director Clare Yazganoglu at Wilfrid Pender's Avenue store, one of three in Greater Victoria that fund five social programs for women in need.

GARRETT STONE, TIMES COLONIST

The economics of thrift

Thrift stores across Greater Victoria fund a surprising number of charities and community organizations to the tune of millions of dollars per year. Sarah Petrescu looks at the benefits that second-hand goods can bring a community. Page D7

Women in Need executive director Clare Yazganoglu at WIN's Pandora Avenue store, one of three in Greater Victoria that fund five social programs for women in need.

In the administrative office overlooking the store, a small staff runs everything from operations to programs helping women.

"We're a community service co-operative, so everything is integrated," said executive director Clare Yazganoglu. WIN has 37 paid staff and about 50 volunteers to operate three thrift stores, two drop-off centres and five social programs, ranging from crisis referral and training to helping provide furniture and clothing for women in crisis and fleeing abuse.

"Staff overlaps. We run the stores and the programs," said Yazganoglu, adding WIN relies almost solely on its thrift stores for its \$1-million-a-year operating budget.

Dozens of charity organizations such as WIN bank on revenue from thrift-store operations to sustain a variety of social programs.

For example, in Victoria, the Salvation Army operates six thrift stores and a recycling centre to support local shelters and food banks, providing vouchers to the needy. Beacon Community Services has operated thrift stores for 33 years in the region. The \$1.6-million annual revenue from its seven stores is its main source of non-government funding and supports programs for everyone from babies to seniors. Other organizations, such as the Society of Saint Vincent de Paul, run stores to help fund housing and create an access point for clients.

Like other businesses, thrift stores are subject to economic whims and consumer trends. But unlike many other sectors, the charity used-goods market thrives when the economy is down and people choose to spend on second-hand items rather than new ones.

After the 2009 recession, an increase in unemployment and decline in disposable income in Canada resulted in a surge in used-goods revenues, which rose from about \$1.1 billion to \$1.3 billion in one year.

Since then, growth in the industry has slowed as the economy and employment rates recover. According to a recent report by think tank IBIS World, the used-goods industry in Canada is set to increase by one per cent to \$1.4 billion in revenue this year. In the next five years, rising employment, disposable incomes and competition from discount department stores and online retailers are projected to slow revenue increases to a modest 0.2 per cent.

However, the report also notes the number of low-income households will likely increase, which is expected to boost the usedgoods industry.

"Low income (i.e. those below the poverty line) households are a major market for industry operators because they have limited income to spend on discretionary goods," says the report.

Canadians spend close to \$30 billion a year on used goods, according to the Kijiji SecondHand Economy Index, released in late February. The study was conducted by researchers at the University of Toronto and Montreal's Observatoire de la Consommation Responsable.

To stay viable and competitive with the fast-growing cheap-goods market, charity thrift stores are getting creative in how they solidify a niche for shoppers and a specific community.

"A lot of people come for our vintage," said Shoko Sato, WIN's marketing and communications co-ordinator. Since its inception in a tiny Quadra Village storefront more than 20 years ago, WIN has had a vintage section. That, along with a boutique section for higher-end women's clothing, are major draws — WIN even sets up a table at vintage and collectible fairs around the region. The organization also holds an annual auction of designer goods.

It's a smart strategy, considering 30 per cent of the used-goods market in Canada is women's clothing, according to IBIS. Another 30 per cent is furniture, which has prompted many thrift stores to post furnishings for sale on online classified websites.

"It gets people in the door who might not know we're here," said Allan Cuthbertson, retail programs manager for the Society of Saint Vincent de Paul. The non-profit organization operates six thrift stores in the region and runs six programs, ranging from a food bank and vouchers for store goods to housing and supports for those with a variety of needs.

The six St. Vincent de Paul stores have a combined staff of about 56 people and the same number of volunteers. They generate about \$1.8 million a year, with 15 to 20 per cent of revenue going to support the organization and its programs — including \$145,000 in gift vouchers.

The administrative and programming side of the organization is managed separately.

"Then there are the social benefits of the stores," said Cuthbertson, noting the shops act as outreach locations and provide reasonably priced goods for everyone. "We're communitybased. Any money we generate stays in the community."

Cuthbertson said each store has a drop-off for donated goods, which are trucked to a warehouse store on Quadra Street. At the warehouse, staff sort about 60 bags of items a day, pushing as much stock as they can out to the stores. Seasonal items are set aside for the right time of year, but everything else has an equal chance of hitting any store location. Prices are, for the most part, standardized and low to keep stock moving. For example, shirts and pants sell for less than \$5 each.

"Our \$1 rack is pretty famous," said Cuthbertson, who managed department stores, including KMart and Zellers, for 25 years before joining Saint Vincent de Paul 10 years ago.

"There are many similarities, but the big thing is learning how to price accordingly," he said, noting the Langford store is the busiest. WIN also has plans to expand to the fast-growing West Shore region.

Value Village, the largest thrift store in town, operates on a different model but supports local charities as well. The American-owned chain — called Savers in the U.S. — has 129 for-profit stores in Canada. There are three stores on the Island, in Courtenay, Nanaimo and Victoria. The latter outlet has been on Store Street since 1998.

Each store has about 50 to 60 employees, said communications director Sara Gaugl. There are no volunteers. The store gets stock from citizens who drop off items and from partner charities, such as Big Brothers Big Sisters and the Canadian Diabetes Association, who have drop boxes around town and organize regular pickups. The charities are paid by the pound for the stock they provide.

“Sales at any given Value Village location may spike or lag, but our business model ensures that our non-profit partners get paid regardless of whether or not we profit from the merchandise we purchase from them to supply our stores,” said Gaugl, who would not disclose local revenues. She did say Value Village paid Canadian charities more than \$200 million in 2014 alone.

In the past five years, the company has seen thrift shopping as a rising trend. Gaugl said the company tries to keep items affordable, pricing them at 10 to 30 per cent of the estimated original cost. Some pricing is up to the discretion of staff and increases have drawn ire from shoppers on social media, an issue the company promised to address.

Environment- and budget-conscious shoppers have contributed to the surge in popularity of shopping in thrift stores in recent years, said Gaugl, adding consumers have become accustomed to buying quality secondhand merchandise from a wide variety of sources, including eBay.



“Also, consumers now more than ever view second-hand shopping as a form of recycling and simply a smart way to shop,” Gaugl said, noting the company tries to divert items that can’t be sold in retail stores from landfills by selling them for scraps and repurposing or in bulk to partners in developing nations.