

The Thrift Shift
How an enterprise once intended to serve the poor turned into big business.
By Amy Halloran
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I come from a long line of hard bargainers. My grandmother used to propel my young father through stores on sale days, chanting, "Sick boy, sick boy!" to clear the way to her desired purchase. My father in turn raised us to be cheap. For me, the term "grounded" meant no rummage sales for the weekend—the worst punishment I could imagine.

I grew up, in other words, in the thrift store and garage sale world, and went on to spend a few adult years in the mid-'90s working for the Chicken Soup Brigade in its thrift stores. So I consider myself uniquely qualified to declare to one and all that the thrift store is dead, killed off by greed, ambition, and the American lust for merchandising.

According to Webster's, the term "thrift shop" was coined in 1944 and is defined as "a shop that sells secondhand articles and especially clothes, and is often run for charitable purposes." The concept preceded the name. The Salvation Army, St. Vincent de Paul, and Goodwill have been doing good works for the past century, and around 1900 began selling used merchandise at reasonable prices as a part of their mission to supply goods to the poor. Until my tenure at Chicken Soup—during which I watched thrift stores drift away from their original mission and turn into profit-taking retail outlets—thrifts remained admirably true to their calling: service to the poor.

Nowadays the mission of a thrift store is to make money by selling overpriced used merchandise to middle-class shoppers. Current garage sale and thrift store prices are ridiculously high, making me pine for the days when a thrift store was a bargain hunter's paradise rather than a clean, well-lit place that appeals to mall-conditioned consumers. Value Village is the most shameless of the new thrifts, airing TV ads that lure uncommon thrift store shoppers to "America's Thrift Department Store." The name fits; at these and other chain thrifts (privately owned, profit-taking businesses rather than charity-owned nonprofit operations), prices of used goods approach those of new merchandise in discount houses like Kmart and Target. If you want to buy a bedsheet, for example, you can pay \$6 for a new one or up to \$4 for a used one that only a few years ago cost \$1 or less.

More and more, thrift stores are going retail and upscale, painting their buildings (inside *and* out), adding dressing rooms, and hiring clerks (some of them *gregarious*). Many thrifts will now exchange purchases as gladly as Nordstrom and The Gap. This is blasphemy that cuts to an old thrifter's soul—in the days when thrift store prices weren't so dear, the solution was simpler: Give back what you bought and buy something else.

#### One step below the Rack

Time was, thrift stores relied on donations for their stock. Now, for-profit thrift stores buy all their stock, and some thrifts are buying clearance remnants from recognizable retail venues. It is not uncommon to see Value Village carrying post-clearance clothes from Nordstrom.

The fundamental change throughout the thrift store industry is in the desired customer: Stores want the

moneyed middle-class shopper more than the penniless poor. Savvy shoppers, regardless of their income, have always known the rewards of avoiding retail, but prices today elbow out the indigent, and ad schemes lure those with fatter wallets. At charity thrifts, the truly needy can still shop with vouchers supplied by the management, but what about the dignity of being able to buy your own things?

This demographic shift has engendered a change in inventory, from donated hand-me-downs to clothing purchased either from charities who collect them or from wholesalers and retailers. Whether they buy exclusively from charities, like the chains Thriftko and Shop & Save, or whether they buy both from charities and other suppliers to retailers, their drive is to lure the middle-class shopper at the expense of the poor. The only exceptions to this dismal trend are Deseret Industries and a few church-basement thrifts. Even established non-profits like the Salvation Army, Goodwill, Chicken Soup Brigade, and St. Vincent de Paul have followed the lead of for-profit chains by dressing up the business of thrifting. The result: higher prices and production values.

As a lifelong sifter through junk in search of treasure, and as a dedicated cheeseparer, I am appalled at the investment of charity dollars in fancy retail displays. As a former thrift store worker, I know that money can be made the old-fashioned way: By tossing the mounds to the crowds and letting them dig.

#### How do we do it?

Volume, volume: That was my preaching and my practice when I volunteered and worked for Chicken Soup Brigade's thrift stores over a period of three years in the early 1990s, an era when Chicken Soup's thrift store program grew from a rummage sale under a roof to a grown-up secondhand store with full-size prices. I spent much of my time fighting to save the thrift store ethic as I understood it. "Shop early, shop often, a little buys a lot," was my motto.

My customers never left the store emptyhanded because, I believe, our prices were reasonable. Noncollectible used glasses should never be more than a quarter, I argued, since people could buy them new for less than a buck. Five dollars was enough for a worn shirt, in my book.

These prices turned out to be far too reasonable for my thoroughly modern boss, who was eyeing the trends among our local competition. She noticed retail venues like Urban Outfitters marketing "recycled" clothes for "new" prices. Meanwhile, among the thrifts, for-profits were creeping in on nonprofit territory, moving into neighborhoods that used to be thrift-free, driving up the industry standard and with it the prices of other nonprofits, like Goodwill and the Salvation Army. I kept reminding her that we got our stock for free, so anything we made was profit. I didn't want Chicken Soup to go the route of boutiquing—attractively displaying selected articles and charging nearly vintage shop prices. Eventually I argued my way out of a job, and the prices reflected my absence. Thin drinking glasses are now marked 99 cents.

# What's missing: the dim lights, the trashy stock, the mystery

I stand in a thrift store and remember when all thrifts were run by charities and meant for poor people. I remember loving the mystery of wearing something that had been worn before, of literally walking in someone else's shoes. At the Salvation Army and St. Anthony's Church Store in Troy, New York, I could buy worn-in jeans and worn-out shoes for little-old-lady prices. The lighting was dim, and neither the workers nor I could see very well what we were handling—but that was part of the charm.

This sort of romance loses its allure under modern retail lighting. All of the flaws come out in the harsh fluorescence, and it's clear that a lot of the good stuff doesn't hit the sales floor anymore because it's too

"trashy" for the new-concept thrift. When I was in high school there was a wide line between thrift-store price tags and those in vintage shops. I could buy a smooth oxford shirt for 15 cents at a church thrift store, or \$4 at a vintage boutique. Now that gap is all but closed. In the early 1980s, markets bloomed for collectibles, making nearly all tangible memories worth a mint. Prices started climbing like a hiking fool. Ever since the Cabbage Patch Kids craze, people have been stockpiling potential collectibles, keeping them crisp in their packages until Fate delivers a handsome return on their investment. (See, in this connection, the strange case of the Pee-Wee Herman Doll, which became nearly worth its weight in gold the day after Florida police arrested its namesake in an X-rated movie house.)

Nostalgia, the overseas market for Americana, and grunge all conspired to turn consumers' attention thrift-storeward. The attention finally reached a kind of critical mass in the 1980s, as can be seen by the growth of TVI, the corporation that owns the Value Village chain. Value Village, which began as a single store in San Francisco in 1954, had grown by 1985 into a 21-store chain with outlets in the US and Canada. There now are 148 TVI stores worldwide, including a branch opening soon in Australia, and the company plans to have 200 stores around the world by the year 2000. Projected gross sales for 1997 are \$235 million, of which \$100 million will go to the charities that supply TVI with goods.

### Honor among pickers

The market for collectibles and the upscaling of thrifts have given new life to an old class of secondhand dealers: tinkers and ragmen, who used to push carts full of clothes and kitchenware door to door, trading for items people might need. Now known as "pickers," they have evolved into professional shoppers who roam estate sales, garage sales, and old-style thrift stores hunting for bargains to sell for big bucks. Wholesale exporters of used American fashions like Atlas Asia and Heller's Cafe buy the pick of the pickers' litters. In this market, a pair of Levis can net anywhere from 50 cents to \$15,000, so stakes and greed are high.

Pickers were the bane of my existence when I worked at Chicken Soup. They'd approach me in a leering, almost sexual fashion, trying to get at the goods before they hit the selling floor. "I'm just trying to make a living, same as you, Amy," they would respond when I told them to back off. I didn't like being lumped with what I saw as blind avarice—particularly since I was making my living off a dying community, as a junkie bluntly put it to me one day. If I claimed that pickers were stealing from people with AIDS by shopping at Chicken Soup, shouldn't I have held myself to the same standards?

#### The pricing dilemma

Running a thrift is tricky because the markup formulas are not written in stone. The inventory comes to some charities for free and to others for cheap, so there is no easy equation for calculating the value of used goods. For-profit retail ventures are never questioned about their markups. They buy for X, try to sell for 200X or 300X, and reduce prices as necessary. Thrift store prices are random and can vary with the mood of the pricer. In some stores, merchandise walks in the front door past the drooling eyes of customers. If an object catches a regular shopper's eye, and he comes to the back room and begs to buy it, how can a pricer avoid being subjective? During my days at Chicken Soup, I tried to be fair, but there were some customers I loved more than others. I knew I was being swayed by my emotions, but the lack of rules kept me from being as evenhanded as I should have been.

The ifs involved in thrifting make everyone in the business want to justify themselves. It's not enough to make money; you've got to make it scrupulously. During my days at Chicken Soup, I couldn't believe I was making money *and* doing good. Thus I'm troubled now by the industry's profit/nonprofit dividing line. I

see the whole industry being poisoned by the mentality of TVI and other chains. At Chicken Soup I was making money to help people living with AIDS. Value Village is making money to make money.

Not that you'd know that by shopping at a Value Village. The chain's in-store radio station pummels shoppers with self-promoting ads reminding customers that it's doing a noble thing—saving the environment by buying recycled and helping charities. As far as charities are concerned, everyone seems happy with the upscale march of the thrift trade. The ones that operate their own stores can charge more for their merchandise, and the ones that sell goods to the for-profits feel like they have a place in the system. Value Village, Thriftko, and Shop & Save rely on charities to solicit donations by phone, pick up clothes, housewares, and furniture, and deliver them to stores for processing. Northwest Center for the Retarded, the Alliance of American Veterans, and Community Services for the Blind are just a few of the satisfied middlemen. Running a thrift store is a lot of work, and it often makes sense for non-profits to limit their investments of money, time, and volunteer resources.

### The line between greed and need

At cocktail parties and thrift stores I run into people I know from my years behind the register at Chicken Soup. Without my prompting, my shopping acquaintances follow their hellos with a common lament. "It's not the same," they say. Some people miss the informality of a thrift, the risk of buying a spotted shirt and hoping it will come clean. Others miss the randomness of the hunt, the thrill of shopping without an intent and finding great prizes. Many people feel the industry is gouging the public's purse, especially since competition makes nonprofits behave like for-profits. Even considerate people who know that many thrift stores are fund-raising sites and that extra income means better community services are disturbed by this.

As for me: I'm not arguing that charities should not make money, but where's the line between greed and need?

When I was working at Chicken Soup's Jackson Street store, which was opened at a time when demographic forecasts said AIDS would be spreading to the black community, we carried on a lively debate about the store's purpose. Were we there for outreach, to provide inexpensive goods to an impoverished neighborhood, or to raise money for Brigade services? In the spirit of the times in our industry, we decided to focus on Choice no. 3. Faced with a storewide price hike and mounting burnout, I chose to leave my job. To this day, I refuse to believe that raising prices was the right decision.

"The reality is," counters Chuck Kuehn, executive director of Chicken Soup Brigade, "that it puts money back into the organization. Seattle is such a thrift town that you have to be competitive. The fact is that you can still buy decent used goods at affordable prices."

"Affordable" is a word that varies with the economy of your mind, and if that mind is informed by the changes you've seen in the industry, the word doesn't wash. For me, the moral bottom line is that those charities that don't pay for their merchandise do not need to stoop to the level of greed brought to town by the for-profits.

## So who's getting hurt?

Of course, there is no end of defenders of the new thrift economy. "The only reason for our existence is to fund our community and social services," says Stephen Lutz, St. Vincent de Paul's Stores general manager. "The goal always is to serve the needs of the needy, but the challenge for me and my organization is to be as successful a retail enterprise as we can possibly be. The entrance of for-profit thrift stores into our market seems to have certainly raised the visibility of the thrift industry, because they can afford to advertise and

provide a much higher profile." Adds Goodwill Industries media coordinator Elizabeth Davis, "Nonprofits need to be thinking like for-profits, and that's not necessarily a great evil."

Goodwill is a national organization, but each city's Goodwill is a separate nonprofit entity, providing programs in literacy and job training. In the 199596 fiscal year, 96 percent of Seattle Goodwill's funding came from store sales. As a former insider, I can tell you this is a feat worthy of a standing ovation—even when all your inventory is donated rather than purchased. Trash pickup alone costs Seattle Goodwill \$100,000 a year, and nicks \$15,000 out of Chicken Soup Brigade's budget. Every day the thrift merchants receive thousands of pounds of unsalable items: bum TV sets, moldy mattresses, cigarette butts and old mail that people can't bring themselves to toss in the trash. Managing rent, utilities, and staffing needs is a tricky equation, made harder still by trying to find a place for all the precious waste of an overconsuming society. The clothes and textiles that thrift stores can't or won't sell are bundled and sold to rag companies that turn the worst material into rags, the best into clothing for Third World buyers.

The last straw—or, at least, the final symbolic stroke—for me came when I heard that the newest Goodwill store is to open in downtown Bellevue. "It's the Nordstrom of Goodwills," says an enthusiastic Elizabeth Davis, describing how the new Goodwill is dressed to the nines to draw the Bellevue Square shopper. As for me, I hear funeral bells. This waltz across the lake to the land of the moneyed serves as a symbolic end to the One True Thrift and its mission. All of these stores are trying to climb out of their traditional ghetto and into the wallets of the rich. The climb makes sense only from a fund-raising point of view; in the bargain, it destroys the original purpose of the thrift store. These shops began in church basements as a way to serve the poor, to offer used items at reasonable prices to people who need them. Now they're opening stores in rich neighborhoods to serve—who, exactly? Shareholders?

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