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It's boom time for area thrift stores

As wallets tighten, consumers turn to resale and consignment shops to help pinch their pennies.

Jennifer Youssef / The Detroit News

DETROIT -- Area resale stores are thriving as budget-conscious Metro Detroiters seek out every opportunity to save money during challenging economic times.

The ranks of penny-pinchers have grown so much that Goodwill Industries International Inc., the Salvation Army, the Society of St. Vincent de Paul and other charitable organizations are expanding their thrift stores or opening new ones throughout Metro Detroit.

Much of the growth comes from consumers who aren't traditional thrift-store shoppers but are changing their buying patterns because of the economic crunch, Farmington Hills retail analyst Ken Dalto said.

"There's been a big boom," Dalto said "It's become a big business."

Donald Hankins, a retiree on a fixed income, has to be careful about how he spends his money.

With everything from gas to groceries costing more these days, the 76-year-old Detroit resident frequents the Salvation Army store on Fort Street to save money on clothes, household items and movies -- anything the former slaughterhouse manager needs.

"For things that I want and can't afford because I only get retirement, I come here," he said.

With hopes of a turnaround in the economy stalled, thrift and resale shop owners see no sign of a slowdown in business as more Metro Detroiters try to save money on everything from shirts and socks to hockey skates.

"In this economy, more people are shopping at thrift stores," said Pastor Kent Clark, CEO of Grace Centers of Hope, a Pontiac homeless shelter that operates four thrift stores in Metro Detroit. "There's no doubt about an increase at our stores."

Resale sales zooming

Resale is one of the fastest-growing segments of retail, with a growth rate of 5 percent a year during each of the past three years, according to the St. Clair Shores-based National Association of Resale & Thrift Shops. Resale is a multibillion dollar business -- exact sales figures are not available -- with more than 25,000 resale, consignment and thrift shops in the United States.

In a national survey of association members, including those in Michigan, 62.5 percent said sales have increased by an average 30 percent this year. Some 85.8 percent said their stores were seeing new customers.

Demand is growing at many Metro Detroit thrift shops, including those operated by the Grace Centers for Hope. Sales in the past year are up 10 percent to 20 percent, and the stores slashed prices on everything by 50 percent to help struggling customers.

"We certainly recognize what's going on in Michigan with the economy," Clark said.

At the 10 thrift stores operated by the Society of St. Vincent de Paul, sales were up 5 percent last year, and the organization is opening its 11th outlet in November, said Bill Brazier, executive director.

"There's a lot of need out there and we're trying to fill that need by having convenient locations for the poor and working poor," Brazier said, adding that a new Lincoln Park store is doing brisk business since opening in May.

As many as 400 to 700 customers shop at the Salvation Army stores in Metro Detroit each day. Sales were up 9.4 percent in 2007, said Colleen Kinney, director of community relations for the Salvation Army Southeast Michigan Adult Rehabilitation Center.

"People are looking to us to stretch their dollars," she said.

Along with more shoppers has come more donations. Thrift shops said donations are up 5 percent to 10 percent. Donors, however, are being more cautious about what they extract from their wardrobes. Some stores are seeing lower quality merchandise.

Other resellers seeing bump

It isn't just thrift stores run by charities that are seeing business boom during the economic bust.

Sales of new sports and exercise equipment are soft at Mitch Rechter's Play It Again Sports stores in Clawson and St. Clair Shores, but used items are flying off the racks, he said.

Sales of used merchandise are up about 30 percent over last year.

Rechter also is buying higher-quality items that he can resell at higher prices. He says people are selling him equipment like hardly used hockey skates and elliptical machines because they need cash.

"It brings in more quality," Rechter said, "because people need spending money for food."