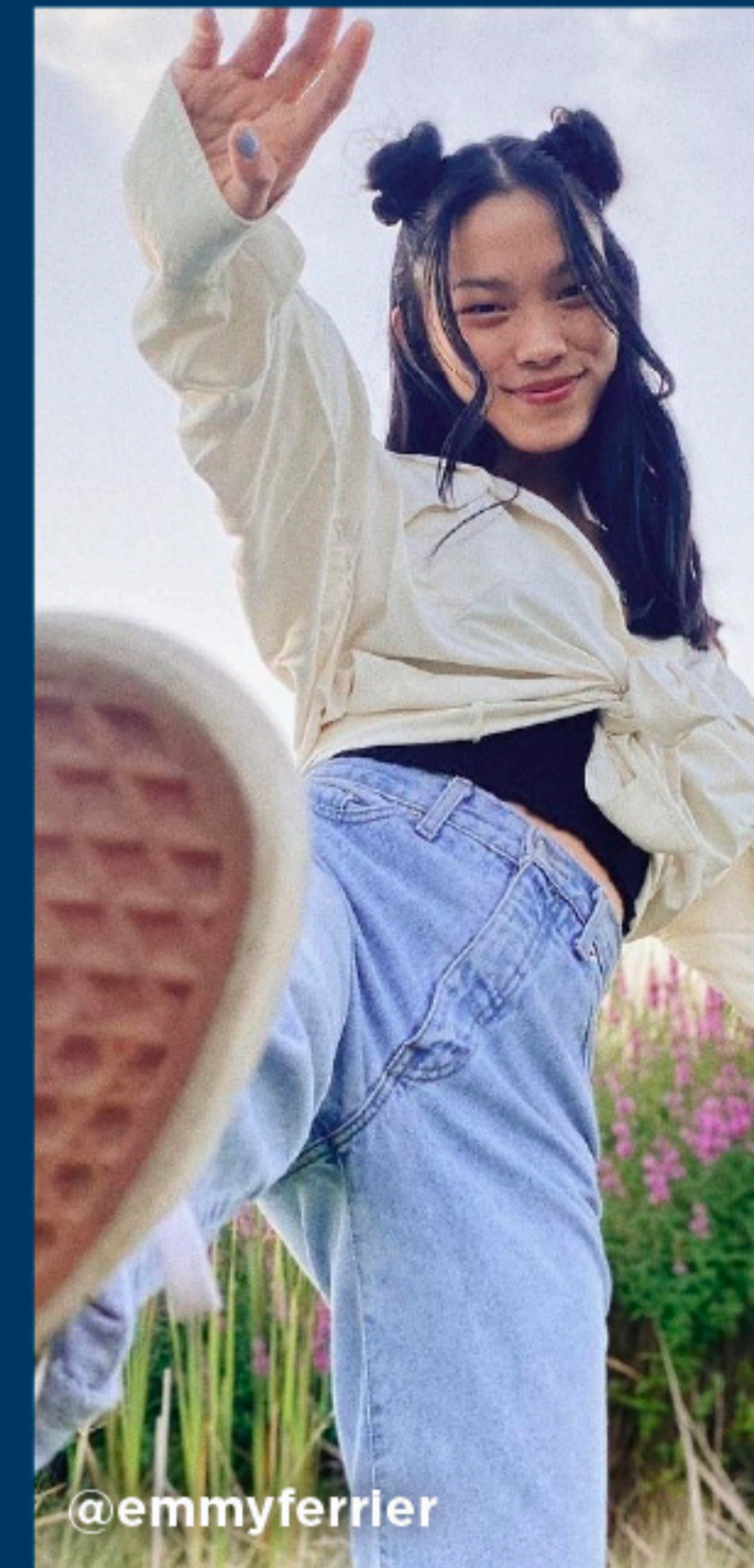




2022

Canada Thrift Report



Here at Value Village®, we've pioneered the secondhand economy for nearly 70 years.

When we got into the business, thrift stores served a small but loyal customer base that had a limited budget to spend on apparel. Over the past decade, we've seen a rapid evolution in consumer mindset beyond pure value that is generating new demand for secondhand clothing and other items.

Given the uncertainties of the past few years, today's consumers are not only more price-conscious, they are more aware of how their choices impact the environment. They are increasingly opting to donate unwanted clothing and household items to avoid sending them to landfills. Consumers are also aware of the environmental impact of purchasing new items and seek sustainable options that fit within their budget.

This rise of the environmentally conscious consumer has coincided with a shift in overall attitudes towards thrift. Consumers today are increasingly comfortable with thrifting, seeing it as a fun way to develop and express their own individual style. Shoppers, particularly younger ones, enjoy the "treasure hunt" aspect of thrifting more than ever.

Indeed, the future for secondhand is bright, and it's being driven by brick-and-mortar stores like the ones we operate. To explain why, we are pleased to share this report on the state of the thrift industry. This report emphatically validates what we see in our stores every day, and gives us confidence that our impact on our communities and retail as a whole is only going to grow with time.

Mark Walsh, CEO

Sustainably strong: A bright future for secondhand retail.

A report commissioned this year by Value Village® on the state of the thrift industry shows that the future for secondhand is bright, driven by the superior value, experience, and circularity offered by brick-and-mortar stores. Based on a survey of more than 1,600 shoppers in Canada, the report found that for many consumers, secondhand has become second nature. More than 80% of consumers engaged with a thrift store over the previous year as shoppers, donors, or both. More than one in four consumers—rising to one in three for Gen Z—have bought clothing from a thrift store in the last year, and nearly eight in ten have shopped at least one non-apparel category. The survey points to several factors driving this momentum in thrift.

First, the unbeatable value offered by thrifting is even more important amid today's uncertain economic environment. With inflation hovering near 40-year highs, consumers are increasingly price-conscious. Fully 60% of shoppers say they care more about how much they are paying for apparel, and two-thirds of thrifters say they started buying secondhand because it's less expensive than buying new. More than 70% say that thrifting allows them to buy things they couldn't otherwise afford.

Second, consumers are less concerned with following fashion trends than they are with developing their own individual style. More than half of consumers say they care more about a unique style, and more than a third of secondhand shoppers say secondhand clothing is more stylish than new.

Moreover, there is a widespread appreciation of the in-person experience of thrifting. Three-quarters of thrift shoppers say that thrifting is fun and entertaining while 45% of Gen Z and Millennial thrifters say they started secondhand shopping because of that fun factor. Tellingly, growth in secondhand spending is expected to come primarily at physical stores, with 20% of Canadian consumers saying they will spend more at thrift stores in three years than they do now.

Third, today's shoppers care more about the environment than ever before. They know that buying secondhand is better for our planet than buying new, and thrifting offers a familiar model of circular sustainability. Nearly half of Canadian shoppers say they care more about the impact of their apparel choices than they did three years ago, and 62% say thrifting has a positive environmental impact. This helps fuel the other sustainable aspect of thrifting: donations. Some 80% of consumers had donated apparel in the previous year, and 95% say they expect to donate as much or more over the next three years. That virtuous synergy powers the circular economy, keeping products out of landfills and within a closed loop that is constantly being renewed.

These three tailwinds—unbeatable value, individual style, and circular sustainability—illustrate why thrift is set to thrive. We're excited to share more insights from this industry report.

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- 03 **Secondhand retail is powered by a virtuous synergy.**

01

**Secondhand
is second nature.**



@vltthemole

The secondhand industry is thriving, driven by growth in the brick-and-mortar segment.



@mlleger1

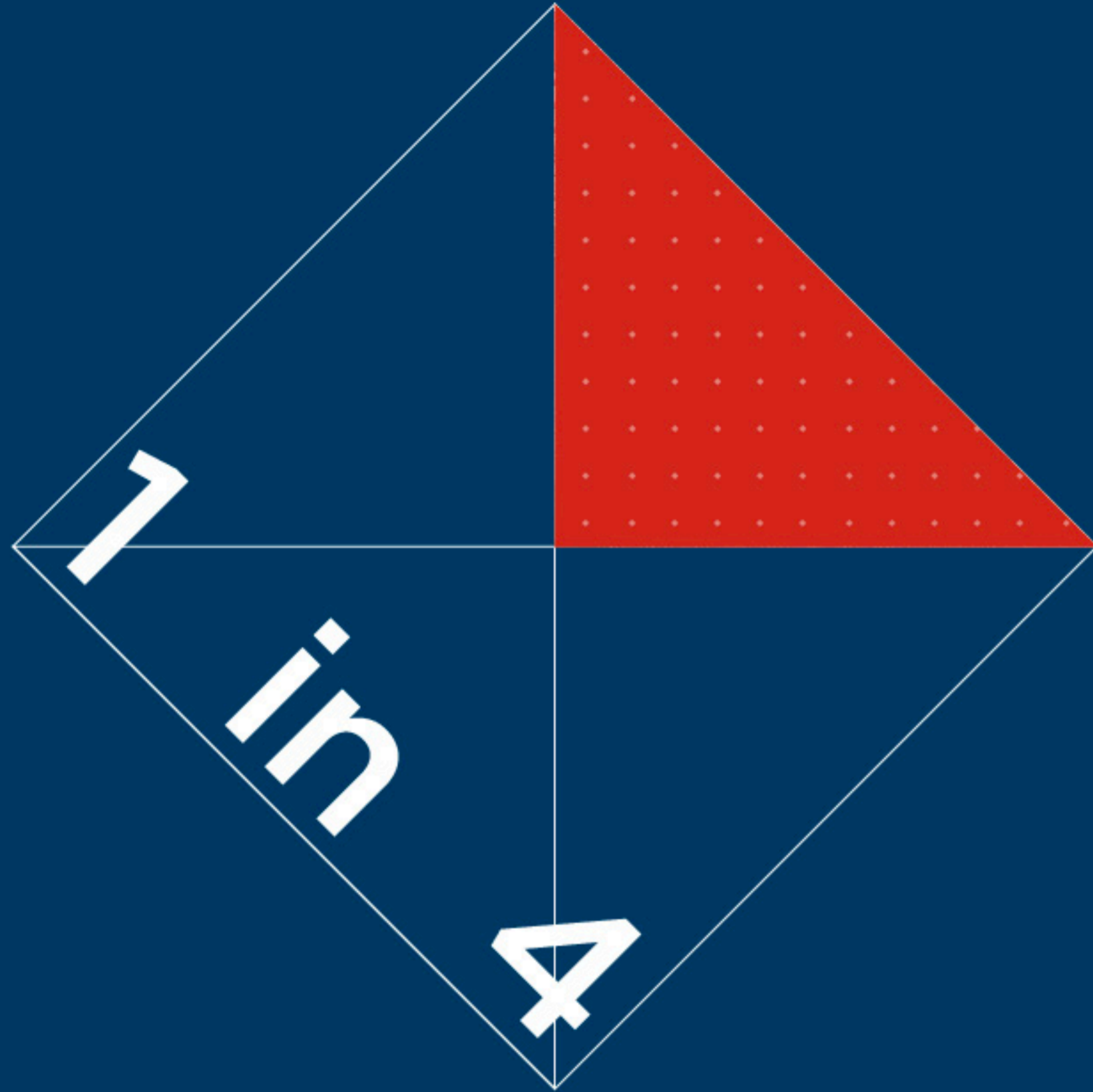
**83% of consumers
have engaged with a thrift store
in the last 12 months as
shoppers, donors, or both.**



56%
Donor

24%
Shopper & Donor

3%
Shopper



Thrifting is a way of life, with more than **1 in 4 consumers buying apparel from a secondhand store** in the last year alone.

The number gets even higher with younger generations, as **1 in 3 Gen Z consumers have shopped thrift** in the last 12 months.

Thrifting beyond fashion:

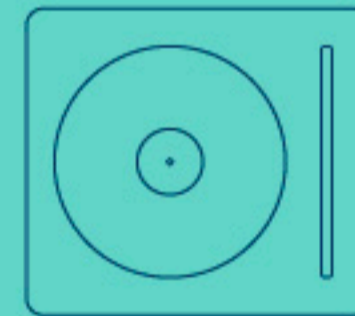
Nearly 80% of shoppers are taking home at least one secondhand household item.

Top non-apparel items that consumers buy secondhand.

Books
45%



Electronics
31%




Home décor
29%



Furniture
34%



A woman with short dark hair, wearing glasses and a leopard print dress, is posing on a patio. She is leaning back with her arms raised, smiling. The background shows a building and some outdoor furniture. The image is overlaid with a grid of white dots.

Thriftling is gaining momentum – it's way more than a passing trend.

Thinking about their spending three years from now...

92% of consumers say they will spend as much or more on secondhand apparel compared to their current spending.

95% say they will spend as much or more on secondhand non-apparel categories including books, home decor, and electronics.

Thrift shoppers prefer physical stores because they're convenient, fun, and offer better savings.

Physical retail accounts for the lion's share of thrifting.

71% of secondhand shoppers prefer to shop apparel in-store instead of online.

Of those, **79%** want to avoid shipping fees and **75%** say it's easier and more enjoyable to "treasure hunt" in a brick-and-mortar store.

On average, those who shop thrift spend about **77%** of their secondhand apparel budgets at brick-and-mortar stores.

02

Positive perceptions of thrift.

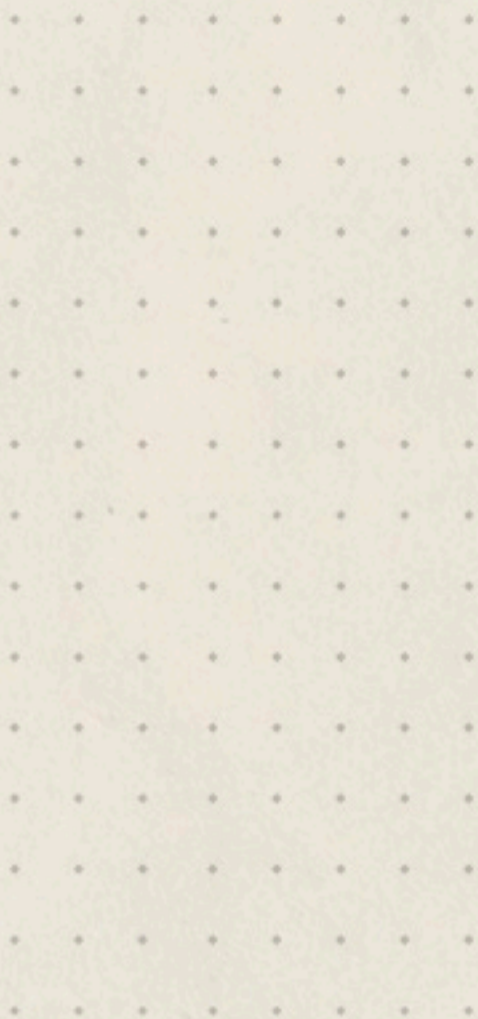


@ericesma

Shoppers are increasingly price conscious:
Secular trends are shifting consumers' mindsets & beliefs,
and increasing demand for secondhand goods.

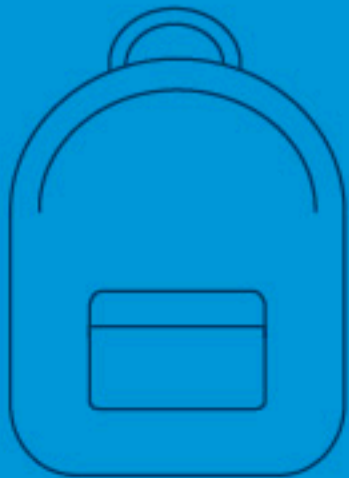


People aren't just thrifting to save money — **they want to make special events and holidays stand out.**



1 in 2

would likely buy secondhand for back-to-school.



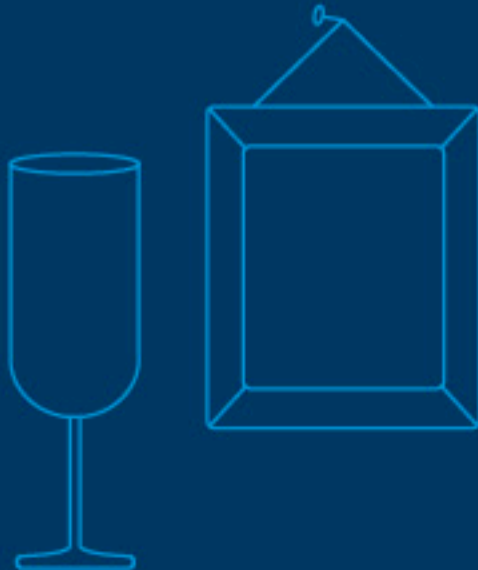
3 in 5

would likely buy secondhand for Halloween & winter holidays.



1 in 3

would likely buy secondhand for wedding items (attire, gifts, décor, etc.).



Thrifting scores a new look as consumers begin to **prioritize sustainability & value over trends.**



Price-conscious consumers see secondhand shopping as an effective way to stretch their dollars versus spending more on new clothing.



@Jacob.kasza

Price is a driving force leading consumers to experience the joy of thrift, which provides a lower cost way to enhance their wardrobes.

71% of shoppers care more about how much they are paying for apparel than they did three years ago.

80% of thrift consumers recognize that they can get better prices by shopping secondhand.

71% of thrift consumers say that shopping secondhand allows them to buy items they otherwise could not afford.

Consumers seek individuality and self-expression — and thrift stores are their playground.

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Value Village to open two 'boutique' locations in Toronto's west end this summer

The new stores in Toronto's west end will only carry clothing, shoes and accessories, and will be distinctively titled "Value Village Boutique."

By Isaac Phan Nay Staff Reporter
Mon., June 13, 2022 | 2 min. read

f t e in

READ THE CONVERSATION (4)

VANCOUVER SUN

Style & Beauty / Shopping Essentials / Life / Fashion & Beauty

Spring fashion: Secondhand style stars share their top tips

With an eye for streamlining the secondhand shopping process, we asked three Vancouver-based thrift curators to dish on their top tips.

Aleesha Harris
Published Mar 29, 2022 • Last updated Mar 29, 2022 • 3 minute read

Secondhand styles — whether fashion, accessories or home goods — offer a way to shop sustainably, while also updating your wardrobe or living space.

No more drink garnishes, meal choices on government planes after \$700k catering bill

It's an element of eco-conscious consumption that a growing number of Canadians appear to be buying into. According to 2020 survey by ProdegeMR, 82.96 per cent of respondents said they had shopped in a thrift store, a number that increased from 73 per cent in 2019.

The Canadian Press | Follow | View Profile

'Pre-loved doesn't mean second-best': Young Canadians thrift holiday gifts

4 | 2 | 1 Comment

AL — Marissa Myers has been shopping almost exclusively at second-hand stores for the years.

The Toronto OBSERVER

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Thrift shopping is becoming a popular way to fight fast fashion

Sustainably has never been so in fashion as people look for sustainable clothing options

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Back to school shopping shifts to thrift

f t e +

Sustainability concerns, but also social media pressure feeds second-hand shopping trend

Sara Frizzell · CBC News · Posted: Sep 03, 2022 4:00 AM ET | Last Updated: September 3

The clientele at Bad Dog Co. is high school and university age, says co-owner Luke Webster. (Submitted by Luke Webster)



@lifewithkalls



@heavystrutapparel

Over 50% of consumers care more about having a unique style (versus following the latest fashion trends) than they did three years ago.

More than 1 in 3 secondhand shoppers say that thrifted clothing is trendier or more stylish than new clothing.



Thriftling is seen as just plain fun.

From treasure hunting at a thrift store

to sharing their hauls on social media,

shoppers crave the thrill of the hunt.





6 in 10 shoppers say that thrifting is becoming more cool, popular, or acceptable.

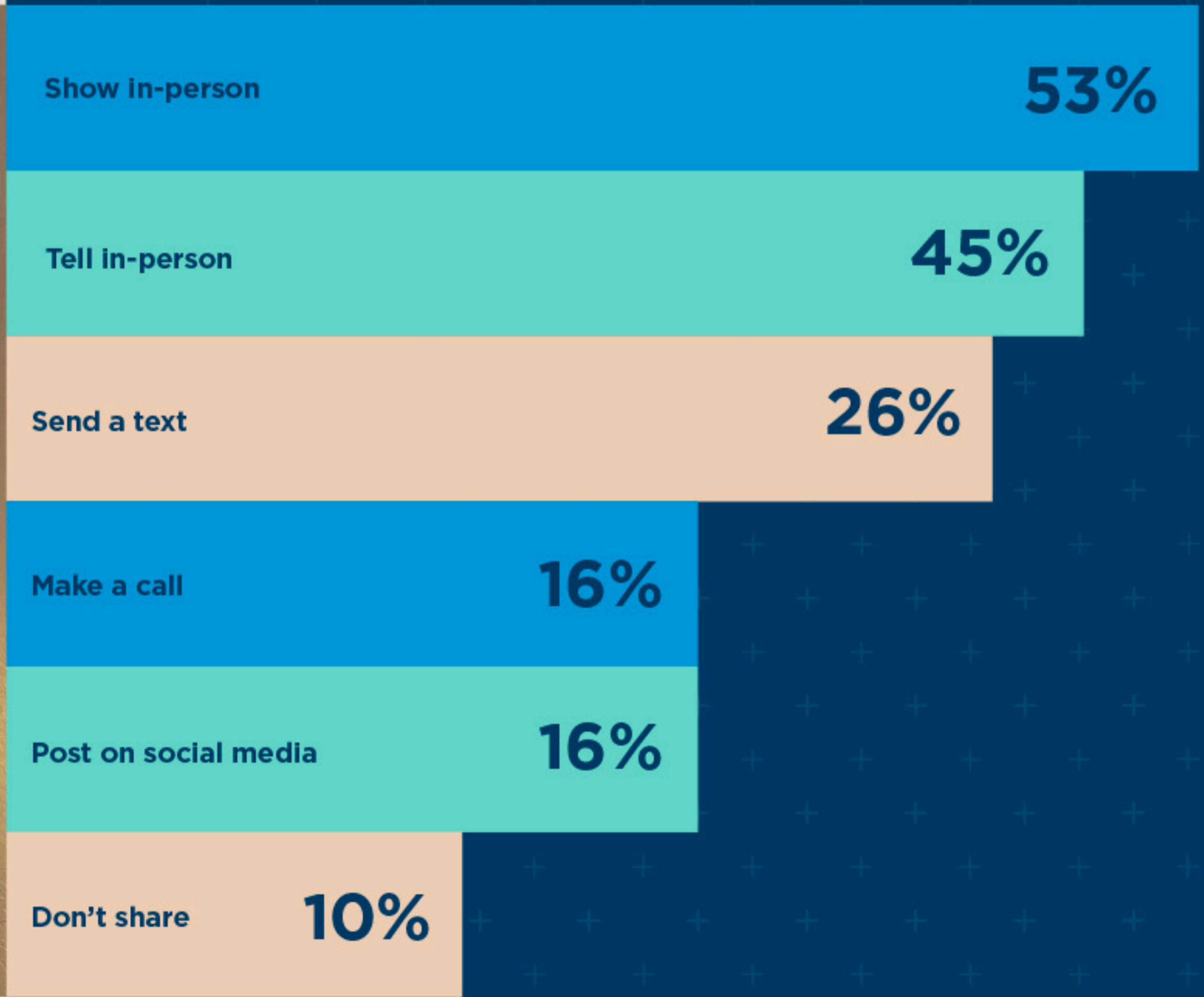
45% of Gen Z & Millennial thrifters say they started because it's fun.

75% of thrift shoppers agree that thrift shopping is fun & entertaining.

89% of thrift shoppers eagerly share their finds with their communities.

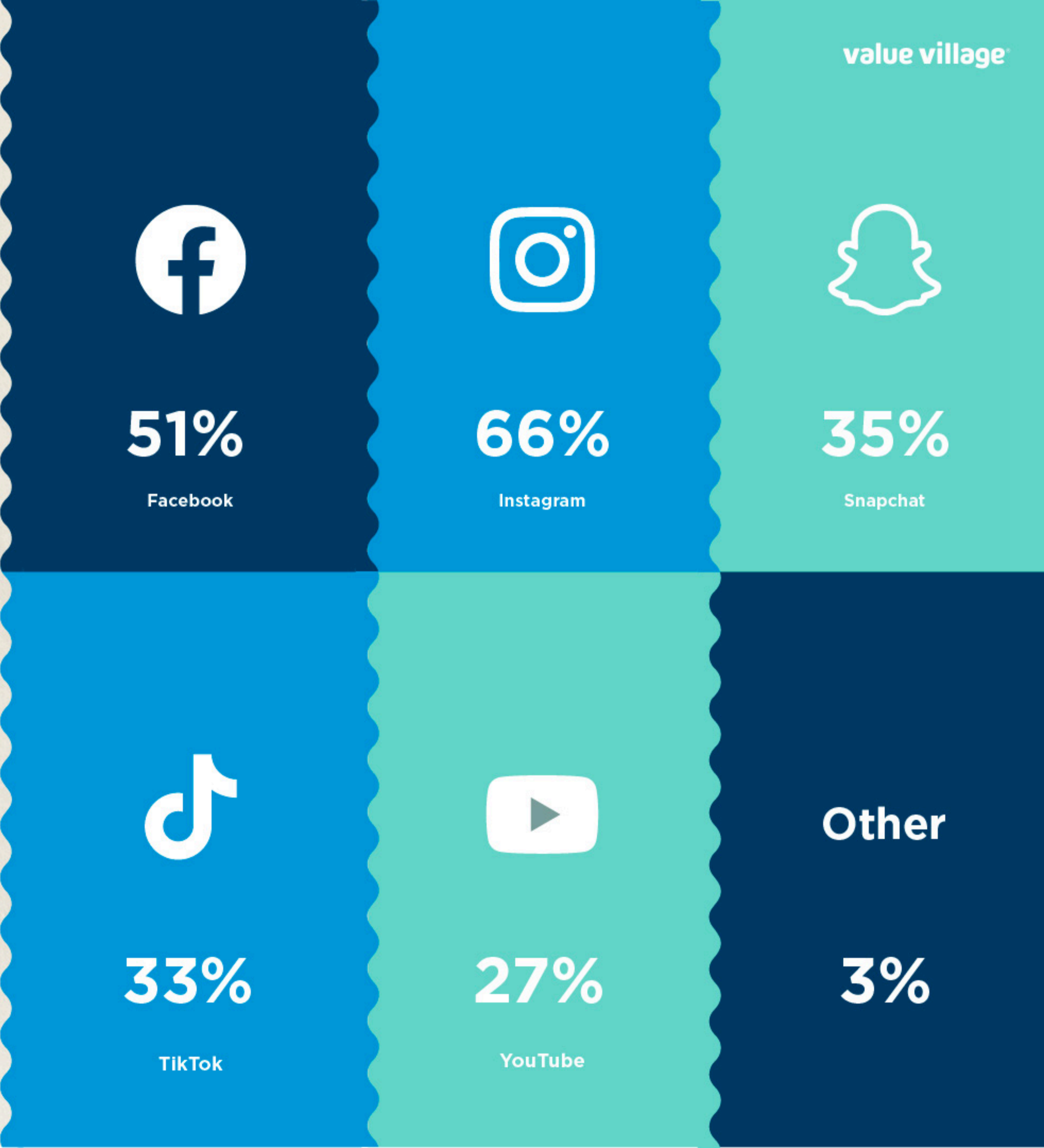


Percent of thrift shoppers that share their finds, by method:



Top social media platforms where consumers celebrate their purchases:

Nearly 1 in 5 thrift shoppers share their finds on social media.



value village®



51%

Facebook



66%

Instagram



35%

Snapchat



33%

TikTok



27%

YouTube

Other

3%

Shoppers care more about the environment than ever, igniting their appetite for secondhand.

1 in 2 Canadian shoppers care more about the environmental impact of their apparel choices today versus three years ago.



of Canadian shoppers believe thrifting has a positive environmental impact and keeps clothes out of landfills.



“A growing consciousness about the environment, paired with an intensifying desire to participate in community causes, is rapidly filtering into empowered consumers’ buying decisions.”

**Forrester,
“Empowered Consumers Call for Sustainability Transformation”**

03

Secondhand retail
is powered by a
virtuous synergy.



@montanastylisme

**The circular economy
creates a renewable loop,
fueled by the growth of
secondhand donations and
an increase in thrift shoppers.**



Value Village® is a for-profit company that champions reuse. Shopping in our stores doesn't support any nonprofit, but donating your reusable goods does. We pay nonprofits for your stuff, helping them fund programs in their communities.

@_christianawebster

Retail is a huge contributing factor to environmental issues, but secondhand shopping has the power to shift the narrative.

“There are already enough clothes in the world...the responsible thing to do is repair, recirculate, and re-wear what’s already out there.”

“When clothing’s use, thus value, can be extended, however that happens, you are displacing the environmental and social impacts that would otherwise have been present to create a new piece of clothing. Clothing is something that every consumer in the world has, so as people learn how to be more circular with their clothing, these behaviors and habits will extend to other types of products.”

**Elizabeth Cline,
“The Conscious Closet.” *Insider Report.***

When secondhand items are donated and sold, it massively reduces the burden on our environment.

95%

of donated apparel can be re-worked or repurposed.



0 LITRES

Buying a secondhand clothing item uses 0 litres of water, compared to 2,700 litres used to produce one new cotton t-shirt.



0 CO2 EMISSIONS

Re-using apparel does not release any additional carbon emissions that would otherwise be created in the production and purchase of a new item.



The thrift industry gains momentum as the volume of donations continues to surge.



of consumers have donated apparel in the last 12 months.

Donate or resell?
Consumers choose to **give away more than an astounding two-thirds** of their unwanted apparel.

Of all unwanted clothing...



37%

is donated in-person
at attended locations.



7%

is donated
via home pickup.



22%

is donated in-person
at unattended locations.



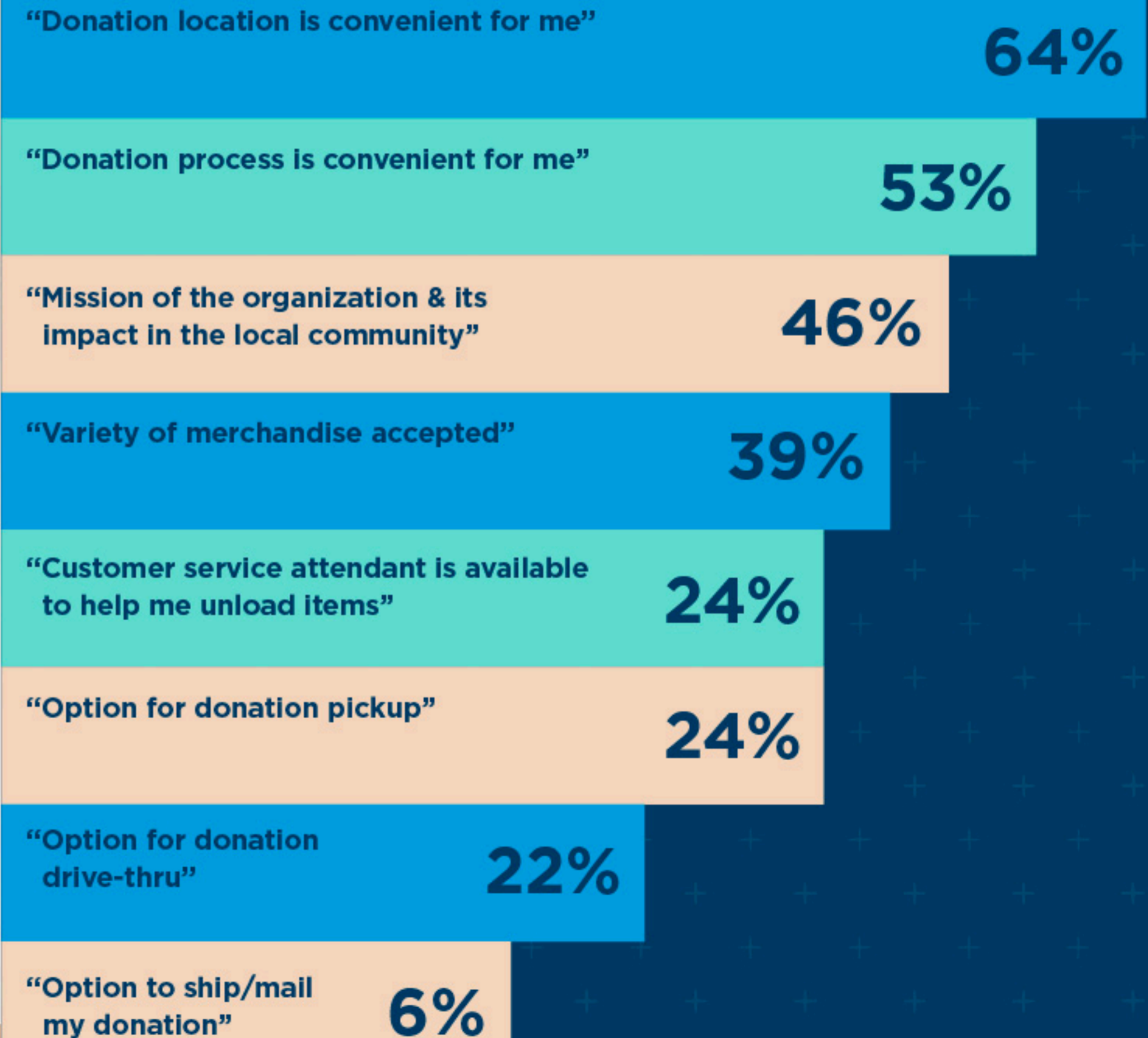
2%

is donated online.

Many factors within the retail experience help encourage donations and keep unwanted items out of landfills.



What are the most important factors to you when deciding where/how to donate?



Value Village® is a for-profit company that champions reuse. Shopping in our stores doesn't support any nonprofit, but donating your reusable goods does. We pay nonprofits for your stuff, helping them fund programs in their communities.

Takeaways: Four reasons thrifting will thrive.

01

Unbeatable value

Consumers are increasingly price-conscious, with fully 60% of shoppers saying they care more about how much they are paying for apparel.

02

Individual style

Over 50% of consumers care more about having a unique style (versus following the latest fashion trends) than they did three years ago.

03

Thrifters love shopping physical stores

Some 70% of secondhand shoppers prefer to shop in-store, while only 1 in 10 consumers have shopped online resale in the past year. A big reason is the “treasure hunt” experience, with three-quarters of secondhand shoppers saying thrifting is fun and entertaining.

04

Circular sustainability

Today’s consumers care more about the environment than ever before, with 71% of Canadian shoppers saying that thrifting has a positive environmental impact.

Primary sources

Thrift Industry Report Consumer Insights Survey, April/May 2022

For the purposes of this report, Transom Consulting Group conducted an April/May 2022 survey of 1,635 Canadian adults over 16, asking specific questions around their attitudes, behaviors, and preferences about buying, donating, and reselling apparel and other categories (including attitudes, behaviors, and preferences about used/secondhand apparel, thrift stores, and online-only resellers).

For questions related to overall consumers, survey results are representative of the respective Canadian adult population based on age, gender, race/ethnicity, geography, and household income (census targets).

Primary 'respondent groups' and respective respondent totals:

- **Overall consumers:**
1,002 (Canada, representative); 1,635 (Canada, total)
- **Secondhand shoppers:**
371 (Canada, representative);
1,004 (Canada, total [used for secondhand shopper-specific questions])
- **Thrift store shoppers:**
275 (Canada, representative);
750 (Canada, total [used for thrift store shopper-specific questions])
- **Thrift donors:**
797 (Canada, representative);
1,337 (Canada, total); 479 (Canada, total used for thrift donor-specific questions)

Secondary sources

- **Forrester** “Empowered Consumers Call For Sustainability Transformation” (2021)
- **Ellen MacArthur Foundation** “Circular business models: redefining growth for a thriving fashion industry” (2021)
- **Ellen MacArthur Foundation** “A new textiles economy: Redesigning fashion’s future” (2017)
- **The World Bank** “How Much Do Our Wardrobes Cost to the Environment?” (2019)
- **World Resources Institute** “By the Numbers: The Economic, Social and Environmental Impacts of “Fast Fashion” (2019)
- **Washington Post** “Do you know what’s happening to your clothing donations?” (2020)
- **Insider** “The personal, political, and environmental case for buying all your clothes secondhand” (2020)

Survey terminology

‘Consumers’

(Canada representative N = 1,002; Canada total N = 1,635)

- Defined as those who have purchased (and/or donated) new and/or used clothing, accessories, or footwear (referred to collectively as ‘apparel’) in the last 12 months

‘Shoppers’

(Canada representative N = 963; Canada total N = 1,596)

- Subset of ‘Consumers’ respondent group
- Defined as those who have purchased new and/or used apparel in the last 12 months – i.e., only donating, but not purchasing, apparel in the last 12 months does not ‘count’

‘Secondhand shoppers’

(Canada representative N = 371; Canada total N [used for secondhand shopper-specific questions] = 1,004)

- Subset of ‘Shoppers’ respondent group
- ‘Secondhand shoppers’ defined as those who have purchased used apparel in the last 12 months – i.e., purchasing only new, but not used, apparel in the last 12 months does not ‘count’

‘Thrift store shoppers’

(Canada representative N = 275; Canada total N [used for thrift store shopper-specific questions] = 750)

- Subset of ‘Secondhand shoppers’ respondent group
- Defined as those who have purchased used apparel in the last 12 months, and have indicated that they’ve spent money on used apparel at a thrift store in the last 12 months – i.e., purchasing only used apparel from an online-only reseller, but not from a thrift store, in the last 12 months does not ‘count’

‘Thrift donors’

(Canada representative N = 797; Canada total N = 1,337; Canada total N used for thrift donor-specific questions = 479)

- Defined as those who have donated apparel at thrift stores or to charitable organizations in the last 12 months

‘Resale customers’

(Canada representative N = 98; Canada total N = 260)

- Subset of ‘Secondhand shoppers’ respondent group
- Defined as those who have purchased used apparel in the last 12 months, and have indicated that they’ve spent money on used apparel at an online-only reseller in the last 12 months – i.e., purchasing only used apparel from a thrift store, but not from an online-only reseller, in the last 12 months does not ‘count’

‘Resellers’

(Canada representative N = 309; Canada total N = 588)

- Defined as those who have resold or consigned apparel in the last 12 months

‘Representative’

- Indicates the sample of respondents beginning/entering the survey is representative of the respective Canadian population based on age, gender, race/ethnicity, geography, and household income
- Achieved by using ‘click balancing quotas’ (based on census targets) to ensure that a representative sample of respondents will begin/enter the survey
- While qualification screening questions will reduce the fully representative sample to a subset of respondents who match desired respondent criteria, this method provides confidence that the demographics of those who qualify and complete the survey are representative of the broader Canadian population according to the census targets used