



Thrift Score:

An examination B.C.'s second-hand economy

Highlights

October 2016 Vancity survey results

- On average, 97% of British Columbians are actively engaged in the second-hand economy, buying, selling or donating used goods with
 - 83% having bought second-hand goods
 - 72% having sold goods they have used and
 - 95% having donated or given away goods they have used.
- Based on poll results, it is estimated that goods purchased through the second-hand economy in British Columbia each year account for about \$1.05 billion in sales.
- 65% of British Columbians who *buy* used goods, indicate that affordability is the main driver, with 38% wanting to save money and 27% wanting to access goods at a lower cost.
- 45% of British Columbians who *sell* used goods, say they use the money to pay their bills, rent or mortgage.
- While millennials (aged 18-34) are less active (93%) in the second-hand economy than the average British Columbian (97%), they are much more likely to indicate their number 1 reason for selling goods is to make money (32%), while only 13% of those aged 35-54 and 9% of those aged 55+ cited making money as their main reason.
- While clothing and shoes is the number 1 purchase category across all ages, electronics makes the top 3 list for millennials, while furniture makes the top 3 list for those 35-54, and books are on the top 3 list for those 55+.
- 52% of millennials who participate in the second-hand economy say they're currently experiencing financial hardship.
- Millennials are least likely to donate or give away used goods often (29%), compared to those aged 35-54 (52%) or aged 55+ (59%).
- While finances are a concern for B.C. millennials, 74% say they are willing to pay more for big ticket items (e.g. over \$500) for something high quality or more durable if they know it can be resold later, compared to 69% of those aged 35-54 and 58% of those aged 55+.
- All age groups preferred purchasing used goods at second-hand or consignment stores; however, millennials are the most likely to prefer purchasing used goods online (25%); meanwhile older respondents (55+) are more likely to prefer garage or yard sales (18.5%).
- Overall, British Columbians surveyed say helping others (37%) is the main reason for donating or giving items away, followed by reducing clutter (22%) and finding a good home for valued goods (16%).
- Of British Columbian's polled, 25% say they buy, sell or donate used goods to reduce waste. Millennials are equally as likely as older generations to participate in the second-hand economy for environmental reasons.

Secondary research

- The 2016 Kijiji Index indicates Vancouverites are most likely to exchange goods at an average of 80 products per year. This represents a one-point increase in growth over the previous year with Canadians granting a second life to a total of 24.9 million more products, for a total of 1.85 billion goods.
- B.C. has a higher proportion of Canada's used goods stores at 18.8%, with just 12% of the Canadian population, according to a study by IbisWorld.

- The Vancouver Economic Commission report *Green and Local Food Jobs in the City of Vancouver (updated 2014)* indicates reuse, recycling and recovery result in up to 10 times more jobs than disposal.
- A 2015 study of the consumption patterns of millennials indicates they are more likely to buy a used car than a new one, or even to forego purchasing a car altogether, because of their perceived and real variability of income.
- A 2012 Pricewaterhouse Coopers study, in association with the Global Financial Literacy Excellence Centre, found millennials are financially fragile and more likely to use alternative financial services (AFS), including pawn stores.
- According to an NPD Group study, millennials also purchase less frequently, are not big spenders, are fans of convenience and cheap prices, and are more likely to browse rather than purchase when shopping.
- For-profit stores that sell second-hand goods contribute to a rise in employment, with 7,751 workers across Canada in 2016, according to a study by IBISWorld.

The growth of the second-hand economy

Affordability is a major concern for British Columbians. Skyrocketing real estate prices have made homeownership an often unattainable goal and this, in turn, is impacting Metro Vancouver's rental market with a lack of affordable rental stock. The ripple effects of unaffordable real estate, along with a weaker Canadian dollar, is increasing the costs of consumer goods and services, including the very food we eat. Add short-term contract employment that doesn't guarantee a regular paycheque and wage stagnation, and many British Columbians are left with less to spend.

This report examines whether or not this issue of affordability is fueling the growth in B.C.'s second-hand economy. What motivates British Columbians to buy, sell or donate used goods? What, if any, differences are there between millennials and older generations in terms of their attitudes and spending habits?

The second-hand economy is growing for a variety of reasons, from convenient online platforms, to an unprecedented expansion in used good stores to a growing interest in used goods.¹ Second-hand activities are becoming second nature to consumers throughout Canada. These second-hand practices are also diverse including donating an unwanted toaster to a thrift store, swapping clothes with friends, and finding a free desk on Freecycle.org. The motivations to engage in second-hand also vary from saving money to self-expression to waste reduction and to an affinity for nostalgic objects.

Box 1 provides a definition of "second-hand practices" across a range of activities, including purchasing, donating, renting, lending, sharing and swapping. Second-hand exchanges can be monetary – such as renting or purchasing from a consignment store, flea market, or online resale platform – or non-monetary – such as swaps with family and friends, donations and gifts, or lending goods. Used goods are circulated in private sales and exchanges among family and friends and in a community through garage and junk sales and swaps. Flea markets, used goods stores, pawnshops, and thrift and goodwill stores receive donated goods to resell. Higher-end used goods are circulated through vintage, antique and consignment stores.

People perceive borrowing, lending, and renting differently; for example, preferring to loan to their friends and family because of the interest in building social relationships, and renting through online markets.²

Box 1: Second-hand definition

Second-hand practices or reuse is a relatively broad concept that involves extending the lifespan of products through reuse by other individuals. This can take on a number of different forms: donations, second-hand purchases, exchanges, free sharing, paid sharing, rental or lending.

Second-hand practices can be broadly defined as the acquisition or intentional disposal of durable or semi-durable goods:

- that are either used or new
- for which the original state and function has been preserved
- that have had one or more prior owner(s)
- with ownership transfer and use, or transfer of use only (rental)
- for which the exchange has been decided before or after its initial acquisition using different currencies (swap) or total lack thereof (donation) and
- initiated by the consumer, but often facilitated by various intermediaries.

Source: Kijiji 2016 Report

According to a 2016 report by Kijiji, British Columbians acquire and/or dispose of an average of 80 products per year, which is slightly higher than the Canadians average of 77 products (34 purchased and 43 disposed of in the second-hand market) over 12 months. This represents a one-point increase in growth over the previous year with Canadians granting a second life to a total of 24.9 million more products, for a total of 1.85 billion goods.³

B.C. also has a higher proportion of Canada's used goods stores at 18.8%, with just 12% of the Canadian population.⁴ In terms of growth, resale stores are thriving with a steady increase in number of stores and consumers⁵ and increasing competition in the second-hand market.⁶ This number is projected to increase by 0.5% due to an increase in consumer demand for high-quality used goods and for-profit stores and franchises such as Salvation Army expanding to meet that demand.

These for-profit stores contribute to a rise in employment, with 7,751 workers across Canada in 2016,⁷ even though most of the thrift stores, consignment and antique shops are small or micro-establishments with less than 10 employees.

It is interesting to note that the second-hand market has historically been “countercyclical,” rising during periods of economic duress when high unemployment and reduced per capita disposable income leads people to seek less expensive items.⁸

The range of goods in second-hand exchange include clothing, accessories, books, entertainment materials, furniture, appliances, tools, household items, sports equipment, collectables, arts and crafts, instruments and vehicles. The types of used goods exchanged evolve with different needs and life phases, such as young millennial families rapidly exchanging children’s goods as families grow and people experiencing life transition moments, such as moving homes.⁹

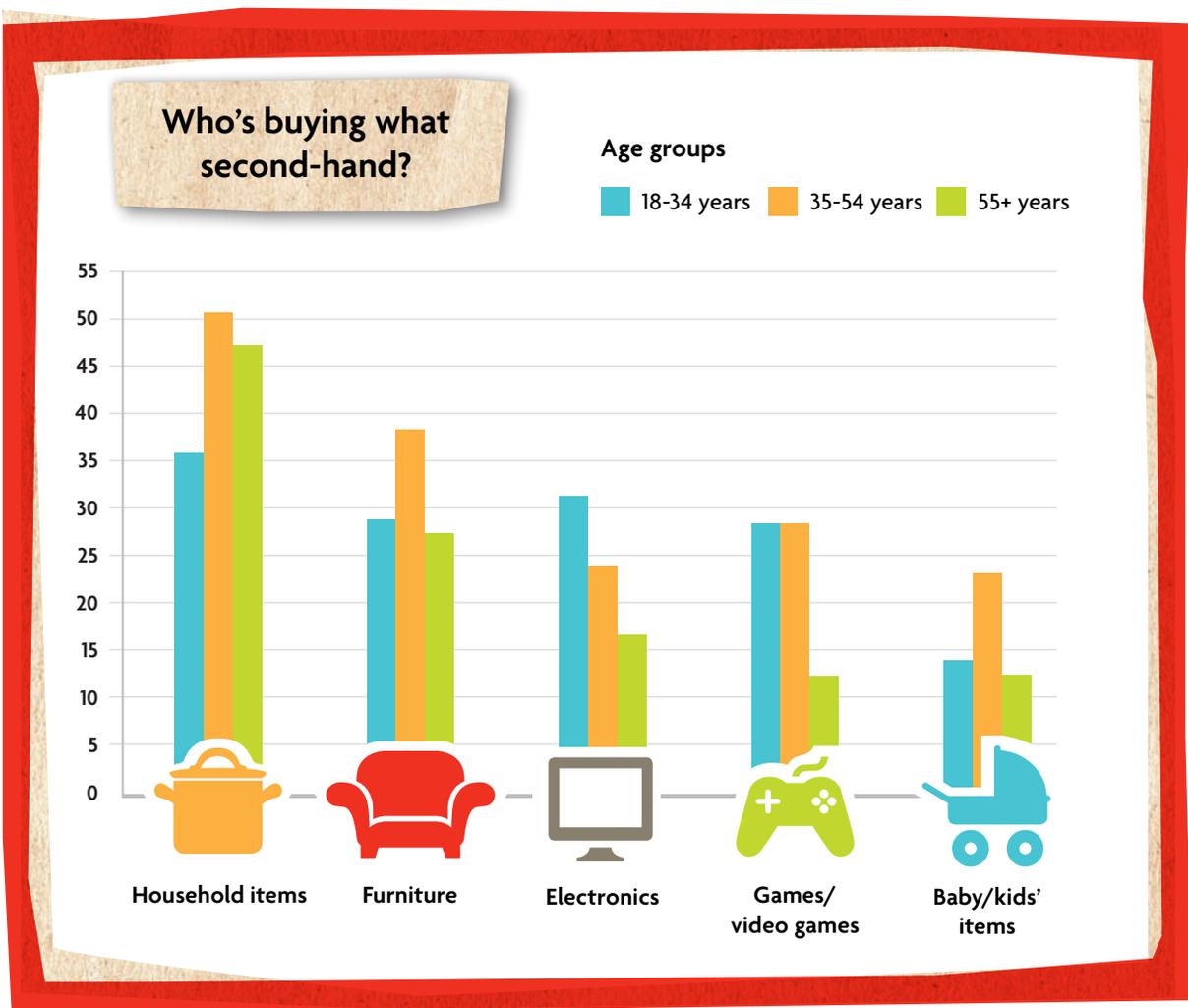
British Columbia embraces second-hand

Against the backdrop of an overall trend to second-hand purchases, Vancity commissioned a poll in October 2016 to further explore the motivations of British Columbians in participating in the second-hand economy.

The poll of 917 British Columbians, conducted by Qriously, found that the vast majority of British Columbians (97%) participate actively in the second-hand economy through buying, selling and/or donating used goods.

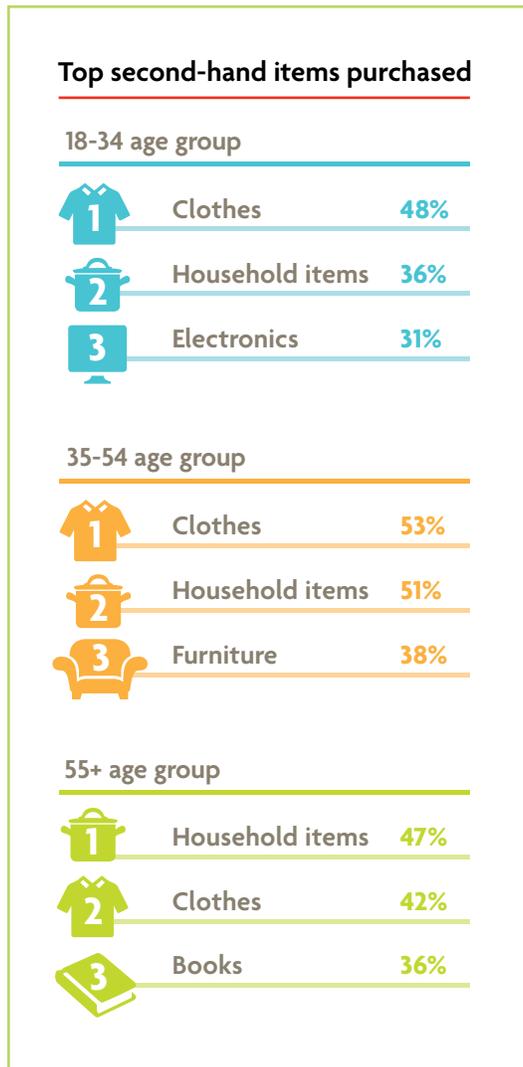
Of British Columbians polled, 83% say they have purchased second-hand goods, 72% have sold used items, and 95% have donated or given away used goods.

While all ages are active in the second-hand economy, there are some interesting differences in the types of goods that various age groups purchase (see below).



Source: Vancity poll examining trends in purchase habits and attitudes towards B.C.'s second-hand economy (Oct. 2016)

While clothing and shoes is the number 1 purchase category across all ages, electronics makes the top 3 list for millennials, while furniture makes the top 3 list for those 35-54, and books are on the top 3 list for those 55+.



Source: Vancity poll examining trends in purchase habits and attitudes towards B.C.'s second-hand economy (Oct. 2016)

More important than what people purchase is their reason for participating in the second-hand economy. The poll results indicate affordability is the main driver for 65% of British Columbians who buy used goods, citing either saving money (38%) or accessing high-quality goods at a lower cost (27%) as their motivation.

Furthermore, nearly 45% of those polled who sell used goods say they use the money to pay their bills, rent or mortgage.

Millennial affinity for used goods is connected to the affordability of second-hand, the opportunity to save money, and their experience of financial hardship.¹⁰ More than half (52%) of millennials polled say they're experiencing financial insecurity and/or employment uncertainty (refer to graphic on page 6).

Millennials also said they are least likely to donate or give away used goods (29%), compared to those aged 35-54 (52%) or aged 55+ (59%).

A focus on millennials

The remainder of this report focuses predominately on millennials as they are often hardest hit by financial insecurity and lack of affordability. They also have a range of reasons to participate in the second-hand economy. Millennials – those born between 1980 and 2000 – are projected to outpace the boomer generation in spending by 2018. Millennials influence other generations in terms of their purchasing behaviour¹¹ and they are increasingly turning their attention to second-hand. A 2012 BBMG, GlobeScan and SustainAbility survey revealed that 45% of millennials globally say they are “making, repairing or reusing products rather than buying them new”¹² – a trend which BBMG is calling reclaimism.¹³

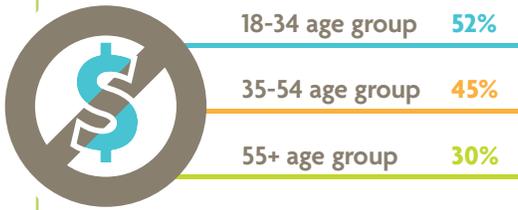
Millennials also love nostalgia and styles that remind them of yesteryears, whether it's vintage, antique, or retro. It is not just about finding unique products but about the value placed in the imagined social histories and biographies of products and the value they have in our lives.¹⁴ The report explores the trends and challenges at the intersection of millennials and their used goods practices with the intention of shedding light on the second-hand economy as a whole.

An overabundance of goods and higher connectivity

Bartering, swapping and reusing goods is nothing new in human society; however current growth is due to a return to these practices. Boston College Professor Juliet Schor notes that the growth in the second-hand economy is a result of a “once-in-a-lifetime” massive manufacturing of goods over the past century, driven by cheap fossil fuels relative to labour costs.¹⁵ The low price of input materials and of disposal has resulted in a wasteful system of resource use and “an enormous inventory of products that no longer have much value for their original owners.” As Schor notes, further acceleration is driven by social media and online platforms as the software reduces the risk of transacting with strangers through enabling buyers to crowdsource reputational information on sellers.¹⁶

Before the Internet, redistributing unwanted and pre-owned goods was a challenge. There was a high transaction cost of time and effort to find someone who wanted a good that we no longer needed. Online platforms such as eBay, Kijiji, Craigslist, Freecycle and SwapTree make these exchanges lower cost, convenient, sensible and useful¹⁷

British Columbian's experiencing financial hardship



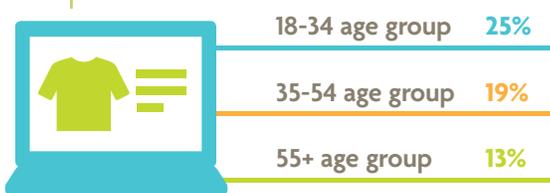
Source: Vancity poll examining trends in purchase habits and attitudes towards B.C.'s second-hand economy (Oct. 2016)

with social networks matching supply with demand in secondary marketplaces. Also called redistribution markets, these online platforms move used goods to where they are needed¹⁸ or finding homes for what Stuffstr – an online app for sustainable goods use and reclamation – calls “unloved assets.”¹⁹ It’s also big business. With 1.5 million new daily postings and more than 40 million unique visitors per month, Craigslist is one of the top 10 most visited websites with an estimated \$300 million in annual revenue.²⁰

Millennials are the first generation to grow up with the Internet and adapt to new platforms and devices as they emerge. They live “in perfect symbiosis with technology and it is as important to them as the clothes they wear or food they eat.”²¹ Millennials are shaping e-commerce and using online platforms and social media to reinforce social connectivity.

While the Vancity poll indicates that all demographics preferred to purchase second-hand goods in stores, one-quarter of millennials polled say they prefer to purchase items online, compared to 19% of those aged 35-54, and only 13% of those 55+. Platforms for online second-hand transactions vary across B.C. with Craigslist remaining very popular in Vancouver, UsedVictoria and Kijiji in Victoria, and Kijiji in Prince George and the B.C. interior.²² Also popular are workplace exchange platforms.

Preference for purchasing online



Source: Vancity poll examining trends in purchase habits and attitudes towards B.C.'s second-hand economy (Oct. 2016)

This social embeddedness and connectivity combined with millennial technical online dexterity is impacting the second-hand arena. In 2014, Emily Blitze in Toronto began an informal non-monetary trading exchange on Facebook called Bunz Trading Zone with her friends. In two years, it rapidly expanded to around 70,000 members in more than 100 cities in Canada and around the world, and led to the development of a mobile app.²³ This Facebook flea market is about trading anything as long as wallets and money are not involved. Bunz participants or “buns” are jumping on board, mostly because of the community feeling, to barter, borrow and share everything from clothes, furniture, food, electronics to taxidermy.²⁴ For millennials, this sense of community and of connecting with like-minded individuals is a key part of the exchange of second-hand stuff.²⁵

Not always sustainable second-hand

Sustainability can be defined as advancing quality of life equitably for all within the capacity of the earth's life support systems. In British Columbia, city, regional and provincial governments have set goals to achieve sustainable economic prosperity, reduce solid waste to landfill, and create healthy, sustainable, equitable communities. For example, The B.C. Ministry of Environment aims to reduce the municipal solid waste disposal rate to 350 kg per person by 2020.²⁶

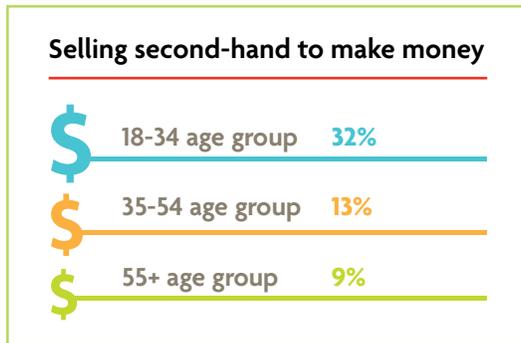
A natural question is whether engagement in the second-hand economy is supporting these sustainability goals. The evidence is contradictory, as this report reveals. Behaviours defy simple generalizations. For example, millennials make social buying decisions with friends, value individual self-expression, and engage in “status” consumption of luxury goods in second-hand markets. But at the same time, millennials are also burdened by debt and financial challenges, which leads to used goods purchases as a way of making life affordable.

The Vancity poll found that environmental sustainability is not a key consideration of those participating in the second-hand economy; only 25% indicate it is a consideration in buying, selling or donating items. Furthermore, millennials are no more likely than other generations to consider environmental sustainability. Even though environmental sustainability is not identified as a main driver, some of the practices outlined below contribute to positive environmental benefits including increased interest in long-lasting durable goods and a minimalist lifestyle.

Promising trends in the second-hand economy

Promising Trend #1: Improving affordability

While millennials (aged 18-34) are less active (93%) in the second-hand economy than the average British Columbian (97%), they are much more likely to indicate their number 1 reason for selling goods is to make money (refer to graphic below).



Source: Vancity poll examining trends in purchase habits and attitudes towards B.C.'s second-hand economy (Oct. 2016)

Interestingly, while finances are a major concern for B.C. millennials, 74% say they are willing to pay more for big ticket items (e.g. over \$500) for something high quality or more durable if they know it can be resold later, compared to 69% of those aged 35-54 and 58% of those aged 55+. A shift to durable items rather than a higher quantity of goods means less resource use in producing additional goods, less waste and less pollution as well as greater enjoyment from long-lasting, quality goods.



Source: Vancity poll examining trends in purchase habits and attitudes towards B.C.'s second-hand economy (Oct. 2016)

The **Generation Squeeze** campaign launched in B.C. draws attention to the generational inequality in Canada with the millennial generation disproportionately experiencing stagnant incomes, high costs, and mounting debt even as wealth increases.²⁷ A May 2016 Vancity report revealed that Vancouver millennials have the lowest discretionary income rate compared with others in Canada.²⁸

One study suggests younger millennials who have come of age during the Great Recession are experiencing even greater financial hardships than the older segment of the millennial generation.²⁹ Young millennials are more likely to live at home longer, experience greater student loan debt, and have greater challenges entering into a workforce because of limited job opportunities. They are also less likely to save and more likely to “live for today.”

A 2015 study of the consumption patterns of millennials indicates they are more likely to buy a used car than a new one, or even to forego purchasing a car altogether, because of their perceived and real variability of income. Affordability appears to have a smaller influence on less expensive items such as furniture and appliances, where social identification is a larger driver.³⁰

A 2012 Pricewaterhouse Coopers study, in association with the Global Financial Literacy Excellence Centre, found millennials are financially fragile and more likely to use alternative financial services (AFS), including pawn stores.³¹ According to an NPD Group study, millennials also purchase less frequently, are not big spenders, are fans of convenience and cheap prices, and are more likely to browse rather than purchase when shopping.³²

Millennials are also participating in the second-hand economy because of the way it redefines value in terms of the broader notion of lifetime value of a product across multiple users and purposes.³³ Second-hand becomes affordable through practices such as borrowing, sharing, renting and lending in which millennials are shifting from owning goods (e.g., a car) to gaining access to the service (e.g., car pooling). As discussed in this report's conclusion, this shift from ownership to access is one of the ways in which second-hand practices can drive sustainability.

Promising Trend #2: De-cluttering and reducing waste

Second-hand is an opportunity to reduce ecological footprints, as ultimately the most sustainable products are ones already in use. According to the Vancity poll, reducing clutter was the primary reason (37%) British Columbians were motivated to sell used items.

Reducing wasteful overconsumption of resources requires extending the useful life of goods and keeping the abundance of products that are already in circulation away from an early grave in landfills. Online goods exchange platform Yerdle is explicit about this goal, including in its mission a call to “to reduce the number of new things we all need to buy by 25%.”³⁴

Millennials are seeking reuse and redistribution markets because there is frustration with clutter and with cheap, easily broken,

mass-produced goods.³⁵ They are interested in reducing wasteful consumption practices and taking part in the reuse aspect of “reduce, reuse, recycle.” The findings of a 2012 Survey on Re: Thinking Consumption indicated 66% of respondents aligned with the statement “as a society, we need to consume a lot less to improve the environment for future generations.”

Millennials are increasingly disinterested in owning things like cars or big suburban houses, but instead are seeking quality of life, lighter – even minimalist – lifestyles.³⁶ Finding ways to reinforce the principles of voluntary simplicity is key to extending the usefulness of products and reducing waste. It also contributes to health and well-being, in addition to having environmental benefits.

A 2016 NextGen poll conducted by Global Strategy Group notes environmental issues are critical for millennials.³⁷ However only 25% of the B.C. millennials polled for this report indicate environmental motivations for engaging in the second-hand economy. Furthermore, they are no more likely to cite environmental reasons than older generations. The challenge lies in the fact that there is some evidence millennials are not often connecting second-hand with environmental concerns but citing other motivations for engaging in second-hand.³⁸ The sustainability of second-hand practices by millennials faces a number of challenges beyond this disconnect.

Promising Trend #3: Unique identity and creativity

Identity is key to the millennial generation. Millennials emphasize uniqueness and personal self-expression in defining who they are.³⁹ They like to have control over what they buy and have the opportunity to add their own creativity to production. They are not loyal to specific brands but instead seek interactions that are highly personalized and based on experience.

Through second-hand purchases, the ideal of “newness” in first-cycle clothing is replaced with an emphasis on values such as originality, uniqueness and authenticity.⁴⁰ One study of Chicago-based second-hand stores found that “stores that are able to mobilize space to project authenticity and exclusivity,” to provide personalized customer service and a distinctive shopping experience, and to cluster together with other similar reuse stores, are less vulnerable to replacement by e-commerce.⁴¹

Second-hand purchases become a hunt or a sport in which millennials find objects that reflect their individualism. Instead of buying a mass-produced piece of furniture, millennials will opt for finding furniture at garage sales, online or in second-hand stores where it is unlikely that a friend will find the same

piece.⁴² Purchasing for millennials is about defining who you are and communicating what is important.⁴³

Second-hand is being combined with the maker and do-it-yourself movements as people recombine and remanufacture used goods in creative ways. BBMG highlights this trend in their description of reclaimism as “the art and science of reselling, remaking and rediscovering used products” where “to reclaim is to remake” as a creative exercise of repurposing.⁴⁴ It’s about seeing the potential in salvaged objects. There are even growing networks and movements including Etsy and the Creative Reuse Association.⁴⁵ Maker Labs, woodworking shops, arts and crafts studios, and professional support such as cobblers and upholstery services can support these individual DIY projects.

By remaking products in creative ways and redefining a good, millennials are satisfying basic interest in novelty and change with used goods.⁴⁶ One study highlights millennials’ interest in creating style and feeling special about oneself as overshadowing financial concern and even environmental motivations for engaging in second-hand.⁴⁷

Sustainability challenges of second-hand practices

Challenge #1: Hyperconsumption and higher ecological footprints

The 2016 Kijiji report on the second-hand economy in Canada concluded that second-hand transactions do not shift the market away from purchasing new goods. Two-thirds of the transactions Kijiji measured represent economic activity that would otherwise not have taken place. In other words, these are extra goods being purchased. Different types of second-hand goods categories more often replace the purchase of new items than others. For example, one research team found 84% of customers purchasing second-hand household goods such as drinking glasses intended the purchase to substitute for a new item, compared with only 47 and 35%, respectively, for clothing and furniture purchases.⁴⁸

13.5% of millennials are interested in selling items in the second hand economy in order to upgrade to a newer model.



Source: Vancity poll examining trends in purchase habits and attitudes towards B.C.'s second-hand economy (Oct. 2016)

The poll conducted for this report found that 13.5% of millennials are interested in selling items in the second hand economy in order to upgrade to a newer model. This is more than any other age group and is a response to the pro-consumer marketing that encourages continuous upgrading.

The BBMG survey of sustainable consumption practices globally reveal similar contradictions. The aspirational consumer segment wants to purchase with a purpose but are also materialistic and love to shop and therefore create challenges through an overall increase in consumption volumes undermining environmental gains.⁴⁹ There is an inherent tension “as the emphasis is still on consumption as a way to define oneself, ‘consuming differently’ rather than consuming less.”⁵⁰ Influencing the aspirational segment to redefine measures of quality of life around sufficiency is key to advancing sustainability, particularly because aspirationalists represent one third of global consumers and are very influential of others.

Is the success of the second-hand economy best assessed by the pace and number of exchanges? The 2016 Kijiji Index notes “Vancouverites are most likely to exchange goods, with residents giving a second life to 80 products.”⁵¹ Perhaps a better measure is whether the number of new goods is reduced overall. For example, students arriving at universities can borrow a “university starter kit” of household goods, linens, lamps and other needs instead of outfitting their temporary dorm housing with new purchases, which often are only used for a few years before disposal.

Challenge #2: Status consumption and fickle trends

Millennials are often characterized by materialism, a result of having been raised and socialized in a highly materialistic society that prizes consumption as a display of financial strength and self-expression.⁵² They take hedonistic pleasure in shopping⁵³ and expect a similar hedonistic experience in shopping second-hand.⁵⁴ In a Shullman study, 58% of consumers between the ages of 18 to 33 place themselves in the “love to shop” category compared with 40% of adults overall.⁵⁵ Despite the financial hardships outlined above, some millennials find the financial resources for this consumer behaviour by reducing other costs, for example by living longer at their family homes or having access to family resources.⁵⁶

A recent study of millennial values and lifestyle segments identifies three consumer segments – experiencers, strivers and achievers – and notes status, the latest trends and image are important to these populations with a penchant for purchasing jewelry, clothing, shoes and entertainment. “Achievers” find premium products particularly appealing. Of the millennials polled for this report, 27% engage in second-hand shopping to “access high-quality goods at

a lower cost.” This is similar to millennials’ interest in fast fashion retail that mimic luxury and trendy items with some fast fashion consumers compartmentalizing these desires from their concern about environmental issues and not feeling conflicted guilt.⁵⁷

The social connectivity of millennials also leads to high social comparison, seeking approval and being influenced by reference groups. It’s not just their local friendship circles; they are active in online exchanges, including through social media, with communities of millennial counterparts in other countries. These global peers influence their consumption patterns, including the purchases of luxury goods.⁵⁸ Some see luxury purchases as functional and supplying quality goods, while others see it as a reward or indulgence.⁵⁹ Their status consumption is even rated highest compared with baby boomers.⁶⁰

But is thrift the new status symbol for millennials? The hip hop song “Thrift Shop” by recording artist Macklemore is often cited as a millennial anthem. The song aimed to show respect for thrift stores and for saving money in contrast to the conspicuous flashy extravagance typically celebrated by other rappers. The song became number 1 in many countries in 2013 and, initially, thrift stores reported receiving more attention.⁶¹ Further studies revealed there was no significant change in purchasing behaviour by those listening to the song.⁶² One possible reason is that buying second-hand goods is still seen as “abnormal and exceptional” and hasn’t “successfully crossed over to mass adoption.”⁶³ Instead of focusing on shifting individual behaviours, the sustainability movement can close the gap between sustainability interest and action by popularizing and normalizing second-hand behaviour.⁶⁴ At the same time, it’s important to recognize thrift stores are not just trendy and counter-cultural but essential for many low-income and marginalized members of our community.

Challenge #3: Social exclusion

Used goods stores and private informal exchanges among friends and family traditionally provide access to goods for low-income and marginalized communities at a lower price than first hand sales.⁶⁵ For these populations, buying and selling second-hand is a critical part of meeting basic needs. As reuse becomes trendy among millennials and other populations, second-hand stores and services are adjusting to meet a growing demand for vintage and consignment instead of flea markets. Stores are being established or redesigned to resemble first-hand stores. The way goods are displayed in stores or on-line matters. There is a trend in taking on the appearance of first-hand stores and marketplaces in order to appeal to an expanding market interested in vintage and consignment goods.⁶⁶ In some cases this is leading to higher

prices. Value Village was recently under scrutiny when prices appeared to rival first-hand stores,⁶⁷ which can outprice low-income families. Second-hand stores are also moving from their historic locations on the outskirts of urban centres to central thoroughfares.⁶⁸

Social equity issues are not only emerging within Canada but also around the world as second-hand enterprises such as charity shops send large quantities of donated goods abroad. The second-hand economy is having a significant impact on low-income and marginalized communities in other countries. In 2015, Canada was one of the largest global traders of worn clothing and other worn articles, ranking third among the leading exporters of used clothing worldwide, including to places such as Kenya.⁶⁹ The consequences of this exchange are problematic with local community enterprises in those countries including tailors and cobblers being undermined by the influx of second-hand goods.⁷⁰

Addressing social equity and inclusion requires a commitment by government, businesses and citizens to community engagement, ongoing capacity building and infrastructure for social equity, and accountability for progress on equity. Social equity can't be "retrofitted" but needs to be designed from the beginning into second-hand exchanges from the start⁷¹ and there is evidence the results are "better for everyone,"⁷² resulting in a range of benefits, including improved community health and less unproductive status competition. Further research into integrating a commitment to social equity into the second-hand economy is needed. Social inclusion in the second-hand economy is also a priority for millennials given the financial hardships and social exclusion some face.

Conclusion: enabling second-hand and sustainability

It is clear from the contradictory trends that advancing sustainability goals is not inevitable with an increase in engagement. The real potential of the second-hand economy trends can be unleashed with two things:

- 1) a shift in perspective and
- 2) societal support in the transition to sustainability.

Perspective shift: from ownership to use of goods

Second-hand practices can serve as a gateway to changing our relationship with our stuff from ownership to use. Users can benefit from access to a product without the burden of ownership to maintain it. Online platforms such as Craigslist, Facebook and Airbnb have become convenient redistribution markets that connect dispersed networks of people with idle, underutilized, or wasted assets.⁷³ This

"Ultimately, these opportunities [for reuse and resale] will be limited by the inflow of items from original owners. If the retail slowdown lasts, inventories of goods for resale will shrink, and the market will stabilize at a smaller level, its size being determined by purchases in the firsthand market."

Juliet Schor, (2010)

Plentitude: The New Economics of True Wealth

has led to an acceleration of sharing across sectors from mobility (e.g., shared cars and bikes) to shared spaces (e.g., accommodation, offices), to shared goods, (e.g., tools, toys, equipment and appliances).⁷⁴

This is particularly important because, as Juliet Schor notes, the second-hand economy abundance is directly tied to a flow of first-hand goods. Policies and campaigns aimed at reducing consumption and preventing waste aim to impact the amount of first-hand goods being purchased, which, over time, reduces the amount of goods in second-hand markets. As our culture shifts to focus on "quality of goods" over "quantity of goods," reuse infrastructures and exchanges need to be resilient to this change. An overall shift away from ownership of many, cheap products to the goods and services that meet our needs and make our lives better is key to this resilience.

Another is to combine reuse with other aspects of the use of goods – designing for durability and multiple use; renting and sharing; repurposing, remanufacturing and repairing goods; and redesigning our lives, communities and economies to be less wasteful to begin with.⁷⁵ London and New York have established integrated reuse systems that provide processing and storage facilities to enable smooth exchange.⁷⁶ There are many financial and economic benefits to a society that supports maintenance and repair. Repair and remanufacturing industries, such as tailoring and upholstery, can flourish, as can capacity-building around maker skills and support for the maker movement through creating high quality and customized goods and repurposing, repairing and remanufacturing used goods.

The big picture: Circular economy and the sustainability transition

Sustainable practices and lives emerge in a culture and society that supports these practices. Specific actions can be taken to create the infrastructure for reuse, including connecting platforms, supportive policies including tax incentives, and physical space for exchanges and storage. Growing interest in maintenance, use and repair is being

encouraged with supportive apps such as Stuffstr, or by curated lists of long-lasting products such as Buymeonce.⁷⁷ There are many financial and economic benefits to a society that supports maintenance and repair. Reuse, recycling and recovery result in up to 10 times more jobs than disposal.⁷⁸ When second-hand transactions replace the purchase of new imported goods, they support the local economy with jobs, tax benefits and support for other local businesses.⁷⁹

For most people, second-hand has to be easy in order to engage.⁸⁰ Some entrepreneurs are filling a gap to make resale transactions even more convenient. For donations, charity stores such as Big Brothers and the Canadian Diabetes Association arrange pick-ups at people's front door of donated items and place donation boxes in neighbourhoods. For sourcing used goods, online platforms are increasingly searchable and offer alerts when particular goods become available. There are also a growing number of personal shoppers who offer finder services, such as the Queen of Luxury consignment store, which encourages customers to create wish lists of designer items, which the store then searches for directly in the second-hand market.⁸¹

The second-hand economy is part of an emerging interest in redesigning our economy to shift from a take-make-dispose linear economic model, which wastes both economic and natural resource value, to a cyclical model, which takes waste from one use to become a resource for another use. Resource scarcity and growing costs of resource extraction, climate change, pollution and uncertain commodity markets are leading companies to shift their risk assessments and explore new business models that create more value from each unit of resource.

The increasingly high prices and volatility of consumer good inputs combined with stagnation in mature consumer markets is also placing pressure on businesses to revisit ways to control rising input costs.⁸² Contributing to this shift, second-hand focuses our attention on reuse, extending the working life of products, and upcycling commodities to their highest and best value. Reuse can be reinforced by combining reuse policies and infrastructure with efforts to advance the circular economy as a whole and the sustainable transition. This can lead us to reconsider how and why products are made in the first place and how to design products that last in ways that are sustainable and just.

Methods and authorship

This report was commissioned by Vancity and written by Vanessa Timmer, Executive Director, One Earth with contributions from Andrea McKenzie, as well as insights from John Atcheson, Chris Diplock, Larissa Ardis, Rosemary Cooper, Alice Henry and Dagmar Timmer. Data and information were gathered between July and October 2016 and also build on the research and analysis from the November 2015 Local Governments and Sharing Economy Report by One Earth.

The primary data for this report is drawn from a poll of 917 British Columbians commissioned by Vancity and conducted by Qriously online via mobile devices from October 21-25, 2016. All data are weighted to be representative of B.C. residents on gender and age, with a margin of error of 3.16%, 19 times out of 20.

The report also draws on secondary sources with additional insights from interviews with representatives engaged in the second-hand economy in B.C. and beyond. We gratefully acknowledge their insights and contribution, while the responsibility for the contents of this report remain with the author. While Vancity commissioned this report, neither it nor the author who, at Vancity's request, conducted the research of secondary sources referred to in the report is responsible for the accuracy of that secondary data or information.

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