# Online second-hand sales surge hits charity shops’ income and community role



The pressure to sell old clothes online has surged in recent years, driven by environmental concerns and economic necessity. While platforms like Depop and Vinted create a vibrant marketplace for second-hand fashion, the growing trend has unintended consequences for traditional charity shops that have long been vital to community support.

In an era where fast fashion has been increasingly scrutinised, the allure of decluttering and making a profit from unwanted garments has beckoned many. The pandemic intensified this trend, as individuals found themselves at home, grappling with an overwhelming accumulation of clothes and the opportunity to turn that clutter into cash. According to anecdotal reports, there are individuals who have experienced significant financial success through selling second-hand items online, with some claiming profits that would make any entrepreneur envious. However, for many, the reality can be quite different, fraught with the stress of negotiation, potential scams, and the daunting task of marketing one’s previously loved items to an indifferent audience.

The changing landscape has not only affected individuals hoping to make a few extra pounds; it has also had dire implications for charity retailers. Barnardo's, one of the UK’s leading children’s charities, has reported a staggering 70% drop in profits at its 600 charity shops over the last five years. This alarming decline reflects a broader pattern within the charity sector, with many donors opting to reserve high-quality items for online resale, rather than donating them to shops that rely on such contributions. In contrast to this trend, Vinted recently reported a remarkable 330% increase in net profit, highlighting how specialised resale platforms are flourishing while charity shops struggle to remain afloat.

As seen in Barnardo’s recent financial statement, even as income from retail sales rose to £87.9 million, the organisation still faced a £2 million deficit for the year ending March 2023. This deficit is attributed to various factors, including increased staff costs and the broader economic challenges exacerbated by the cost-of-living crisis. While the charity recognised that its income has improved compared to previous years, the reality remains that the challenges of operating physical retail locations in an increasingly digital marketplace have proved difficult to navigate.

Moreover, the charity’s experience demonstrates that the appeal of second-hand fashion is not limited to consumers—it has captured the interest of major retailers, from Ikea launching a peer-to-peer marketplace to brands like Shein and Zara entering the space. These companies tap into the demand for sustainable alternatives while grappling with their own logistical and quality control challenges. In their quest to integrate circularity into business models, they must balance profitability with genuine environmental commitment, a complex tightrope that further complicates the narrative surrounding second-hand shopping.

The allure of online selling may reflect a shift in consumer mentality, where possessions once viewed as sentimental are now seen as financial assets with potential. This commodification of clothes raises important questions about our relationship with material goods and the ethical implications of a culture that pressures individuals to generate revenue from their discarded items. Instead of fostering a spirit of generosity, it cultivates a transactional mindset that may impede the very act of charitable giving.

As we grapple with the complexities of navigating this new landscape, it may be time to reconsider the simple act of letting go. Donating to charity shops not only provides much-needed funds for important causes but also fosters a sense of community and shared responsibility. By relinquishing our attachment to the idea that our old clothes must earn their keep, we might allow ourselves the freedom to appreciate the memories they hold without the burden of financial expectations. Ultimately, embracing the value of goodwill may be the key to reviving the charity retail sector and supporting those truly in need.

In conclusion, while selling old clothes online can provide financial relief to some, it is essential to recognise the broader implications of this trend. The shift toward online resale may benefit individual sellers and new platforms markedly, but it poses significant challenges for established charity shops that serve vital roles in supporting communities. As we move forward, fostering a culture of generosity and understanding the value of direct donations may be necessary to ensure the sustainability of charitable organisations like Barnardo’s.

### Reference Map

1. Paragraphs 1, 2, 3, 4, 5, 6, 7, 8, 9
2. Paragraphs 1, 2, 4, 6
3. Paragraphs 1, 3, 4, 6
4. Paragraphs 2, 5
5. Paragraphs 4, 6, 7, 8
6. Paragraphs 4, 5, 6

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://observer.co.uk/news/columnists/article/eva-wiseman-do-we-actually-need-to-sell-our-old-clothes> - Please view link - unable to able to access data
2. <https://www.ft.com/content/9b07bad3-af81-4cd2-a98a-a750fcee9d2e> - The second-hand economy is flourishing, attracting big brands like Lego, Shein, Zara, and Ikea into the market traditionally dominated by thrift stores and small resellers. Second-hand purchases are popular, especially among younger generations concerned with cost and environmental impact. However, logistics and quality control challenges persist, as showcased by Lego's experiences sorting through mixed donations, including non-brick items. Ikea's recent venture into a peer-to-peer marketplace exemplifies efforts to streamline second-hand sales, offering incentives and leveraging artificial intelligence to assist sellers. The appeal of second-hand lies in its fast growth despite lower initial bases—markets like ThredUp project significant expansion. Yet, brands face the conundrum of balancing environmental missions with potential profit motives. Issues such as fraud, inventory sourcing, and competitive pressure from established non-profits like Goodwill pose hurdles. Nevertheless, the second-hand boom is set to continue, driven by economic opportunities and sustainability goals, as companies seek to integrate circularity into their business models.
3. <https://www.civilsociety.co.uk/finance/barnardo-s-records-deficit-despite-income-rising-to-315m.html> - Barnardo’s has recorded an operating deficit despite its income rising by 5% to £315m, with retail sales rising to £87.9m. Its income was £315m in the year until March 2023, according to recently filed accounts, which is £15.8m higher than in 2021-22. Nonetheless, in 2022-23 the charity made a deficit of £2m compared to a surplus of £25m for 2021-22, due to large increases in staff pay. The charity said its financial result for the year “was stronger than we had budgeted for” and it had planned a larger deficit. At the end of 2022-23, Barnardo’s was in a positive financial position. After taking tough and prudent decisions at the height of the pandemic, we have been able to return, cautiously, to a sense of normality, the accounts state. Expenditure rise Barnardo’s expenditure increased by £33.6m to £312.4m, from £278.8m in 2021-22, a 12% increase year on year. The accounts state the most significant increases were in support of front line services, including cost-of-living and emergency relief. The most significant area of expenditure was staff costs of £190m, which increased by £21.1m largely due to a 5% pay award in April 2022 and one off cost-of-living payment for some employees. Its total expenditure included restricted expenditure of £12.4m with £11.4m related to service provision. Other trading activities expenditure of £71.2m included £66.2m representing the costs of operating its 589 retail shops.
4. <https://www.thirdsector.co.uk/income-barnardos-charity-shops-25-per-cent/finance/article/1521886> - The charity's annual report for 2017/18 shows a figure of £15m, compared with £12.1m the previous year. Income from charity shops run by the children’s charity Barnardo’s grew by 25 per cent in 2017/18, according to the charity’s annual report. The report, published last week, reveals that the charity’s retail and trading income was £15m in the year to 31 March 2018, up from £12.1m in the year before. Overall, the charity’s income increased from £301.5m in 2016/17 to £304.3m in 2017/18. The report says the increased profitability of its 706 charity shops was "due to more efficient purchasing of stock and improved cost management" and came despite an increase in expenditure on the shops of £3.3m to £58.6m compared with the previous year. Net voluntary income also increased by 4 per cent to £25.8m in 2017/18, while total statutory income increased from £172.6m in 2016/17 to £173.7m.
5. <https://www.civilsociety.co.uk/news/barnardo-s-records-deficit-despite-income-rising-to-315m.html> - Barnardo’s has recorded an operating deficit despite its income rising by 5% to £315m, with retail sales rising to £87.9m. Its income was £315m in the year until March 2023, according to recently filed accounts, which is £15.8m higher than in 2021-22. Nonetheless, in 2022-23 the charity made a deficit of £2m compared to a surplus of £25m for 2021-22, due to large increases in staff pay. The charity said its financial result for the year “was stronger than we had budgeted for” and it had planned a larger deficit. At the end of 2022-23, Barnardo’s was in a positive financial position. After taking tough and prudent decisions at the height of the pandemic, we have been able to return, cautiously, to a sense of normality, the accounts state. Expenditure rise Barnardo’s expenditure increased by £33.6m to £312.4m, from £278.8m in 2021-22, a 12% increase year on year. The accounts state the most significant increases were in support of front line services, including cost-of-living and emergency relief. The most significant area of expenditure was staff costs of £190m, which increased by £21.1m largely due to a 5% pay award in April 2022 and one off cost-of-living payment for some employees. Its total expenditure included restricted expenditure of £12.4m with £11.4m related to service provision. Other trading activities expenditure of £71.2m included £66.2m representing the costs of operating its 589 retail shops.
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