

News from NARTS

National Association of Resale & Thrift Shops

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New Law Threatens to Devastate the Children's Resale Industry

St. Clair Shores, MI—President Bush signed the Consumer Product Safety Improvement Act of 2008 (CPSIA) into law on August 14, 2008 without much fanfare or media attention. The CPSIA was passed to protect children from unsafe, lead laced toys imported from China which were the target of the widely publicized recalls of 2007 which shook the public's trust. However, the CPSIA does not just encompass toys. The new law expands the definition of products covered to include "any consumer product designed or intended primarily for children 12 years of age or younger." Clothing, cloth diapers, hair bows, books, school supplies, blankets, sheets, bibs, footwear, baby equipment—EVERYTHING.

The Act is ornately complex—and is a daunting piece of legislation to digest even for experts. The most significant issues are the standards of lead content and phthalates. The resale industry became affected when the CPSC General Counsel, Cheryl A. Falvey, issued an opinion making the new lead standards retroactive. When the bill was signed into law none of the children's products industries knew the lead standard was intended to be retroactive. The new lead standards for all children's products take effect on February 10, 2009—dubbed by many manufacturers, wholesalers, retailers and resellers as National Bankruptcy Day.

This legislation, while well intentioned, has unintended consequences that threaten to devastate the children's resale industry. The repercussions of making the lead standards retroactive will be enormous to many industries. Large portions of inventory that were safe and legal to sell on February 9th will be defined as "banned hazardous substances" overnight—regardless of whether these products contain dangerous materials.

NARTS and its members have always been strong advocates of product safety. Karen Shaffer, owner of Mommy and Me, Inc. in Topeka, KS, said, "When we take in merchandise we look it over carefully, check for any missing or loose pieces and check for recalls—making sure they are removed from the market immediately. When we no longer accept these children's products the recalled or unsafe items just do not disappear! They will show up in garage sales where millions of the very people the Act is supposed to protect will end up with them! When we stop selling toys and children's products consumers lose that 'filter' for recalled products!" However, we are not talking about these recalled products, we are talking about "safe" items that Congress is trying to make "safer."

Consumers will be rightly confused when the things they recently purchased for their children can no longer be sold or donated because the resale and thrift stores will have no way of knowing the lead content in children's goods without testing. "We have ALWAYS fully understood that manufacturers are required to test for lead, not resellers, but how is a store to know definitively if a product violates the lead requirements unless it tests?" asks Adele Meyer, NARTS Executive Director. "However, those resellers that do sell products in violation of the new limits could face civil and/or criminal penalties. Quite a dilemma."

2009 may be known as the year children's resale died if Congress and/or the CPSC do not take immediate action. Children's resale and consignment shops will be forced to close; causing bankruptcies, loss of employee jobs and shattered dreams for entrepreneurs who struggled to build successful businesses that are a viable part of their communities.

This is just the tip of the iceberg. The Not for Profit thrift stores will have to discontinue their children's departments, resulting in a significant loss of income for the charities they support. Additionally, when consumers can no longer sell or consign their children's gently used items they will leave them in the bins of thrift shops—forcing them to pay for disposal—creating another loss of income for the charities they work so hard to support!

It does not stop there. If every resale and thrift store shelf in America was cleared and ton upon ton of existing goods "taken to the curb," we will need landfills the size of three states. In this time of financial desperation for many, it is easy to envision a parade of helpless parents following the trucks filled with discarded, useful children's items as they head to the landfills.

This is not just about saving children's resale from the business point of view. Resale meets the demands of many facets of life today. The word "green" has taken on a whole new meaning. Warming and waste are common words in every vocabulary around the world. Recycling and keeping the landfills from overflowing the earth seems to be among the "spoken" goals of many a politician—yet implementation of this Act will create waste of immense proportions! Entrepreneurial determination is the only growing hope of many today as they watch their lifelong employment die—one company after another. Resale approaches these problems head on. This industry is the eliminator of waste, the proponent of small business and the provider to many of merchandise for their children they could otherwise not afford.

Resale is not a replacement for new product retail, but an alternative to many, especially those in need of a way to provide for their children when they can afford no other avenue. The resale industry has taken the long road to acceptance and has become the mainstay for many today. Children's resale meets the sadly ever growing demand of the jobless and soon to be penniless in this country. The benefits from the not for profit side of resale extends beyond the doors of the thrift shop and into the whole being of those in need today.

Consumers around the country are joining in the fight to Save Children's Resale. It has taken on a life of its own with resale shoppers contacting Congress, signing petitions, posting on blogs and even organizing rallies, If you want to be able to shop children's resale on February 10th please make your voice heard by visiting www.narts.org and clicking on "Save Children's Resale."

The National Association of Resale & Thrift Shops (NARTS), the world's largest resale trade association, is dedicated to continuing education within the resale industry. The Association serves thrift, resale, and consignment shops of all types by providing educational and professional development for future owners and current store owners/managers. NARTS is committed to product safety, educating both consumers and store operators on how to identify previously recalled or banned products and any products that do not meet current safety standards. Please visit the NARTS Website at: www.narts.org for more information.