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Behind-the-scenes with Salvation Army: Where does clothing donation money go?



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The Salvation Army isn't the type of company that needs to be introduced. They're visible all year round, especially around the holidays. Originally called the Christian Mission, it was founded in 1865 and given its current name in 1878 with its first American branch opening in Pennsylvania. The Salvation Army operates 7,546 nationwide centers, including food distribution, disaster relief, rehabilitation centers, anti-human trafficking efforts and children's programs. According to their site, \$0.82 of every

dollar is spent to support nationwide missions.

But with bins creeping up around Illinois and other states, there is growing concern about whether these organizations are taking money from nonprofit companies that need clothing donations far more. Should it matter if they're nonprofit or for-profit textile recyclers or textile donation companies? Why does it matter if clothing donations are tax deductible? And how do people do a better job of getting to know the companies they're donating clothing to?

The Chicago News & Events Examiner spoke with John Aren, the overseer of nine Salvation Army thrift stores on the north side of Chicago, ranging from North Avenue to

Morton Grove.

Shamontiel Vaughn: I'll put myself on the chopping block for this. For someone like myself who would just donate clothes to any bin or any church or any company and not really pay attention to the background of the company, does that help or hurt the clothing donation industry?

John Aren: What we receive we turn back to the public in order to raise money for the Salvation Army missions in three specific areas in three equal portions: 1) The cost of doing business, which includes our valued employees. We have over 276 employees, and most of them are receiving a health benefit as well as a livable salary. 2) The second portion goes to fund the program of adult rehabilitation, where we have men and women in two Chicago locations who are trying to recover from the effects drug and alcohol addiction. We have in-house residential programs that we fund with the proceeds of the clothing that we sell, as well as household goods and automobiles. The Salvation Army thrift store is the only source of funding for drug and alcohol rehabilitation. Not one dime comes from the federal government, the state government, United Way or the Community Foundation. We do not receive outside money. We generate every penny by selling gently used donations. 3) The third portion goes to the Salvation Army in general. That includes not only our domestic missions but our overseas' missions as well.

SV: For organizations that you don't see as visible, does the Salvation Army think it's a bad idea to donate clothes or deposit clothes to organizations where we can't see what's happening on the front line? Or, is the general attitude, "It's enough to go around"?

JA: I would encourage donors to be responsible about where they donate. We could be honest and say that many of the drop-off bins are just convenient places for people to recycle. And to be honest, much of society really doesn't care. They assume that something good is going to happen as a result of their donations. I would encourage people to check out where these clothes are going and how they're being used. To be honest, especially in Chicago where things are so fast and furious, convenience is a great option for us.

SV: I recently read a book called "Overdressed," and [the author] was talking about the fast fashion industry. Clothing is becoming cheaper so people are buying more of it. And although it may be tearing apart, because they're able to get it cheaper

they're able to get it more [often]. Is that affecting how clothes are purchased in the Salvation Army where there are thrift stores?

JA: It depends on the demographic. Our Lincoln Park store, I refer to that as "pure gold." We have a boutique in the Lincoln Park store, which is Ralph Lauren. Not green label Ralph Lauren but black label Ralph Lauren, and Gucci and Coach and these sorts of things come into the higher demographics. We have other locations where yes, the disposable clothing market brought to us by Walmart and Target, those clothes do come back for recycling. The quality of those clothes are probably not what we would want to put onto our shelves in normal operating seasons. We might be tempted to put them on there when donations get low. For the most part [the latter clothing] is part of our ragout stock. We concentrate on the higher-end stock, which is worth repurposing and recycling as part of our sustainability effort.

SV: With fast fashion being what it is -- and it doesn't look like it's going to stop anytime soon -- if consumers continue to buy these products and these products aren't the best quality but they want to donate these clothes to someone who can possibly use them, what would you recommend they do in their everyday shopping routine?

JA: If we cannot use the textiles locally we will ship it to people who can. We're a great source for recycling textile material. Sometimes they'll be shipped whole to third-world countries and sold in the streets for cheap. Other times they will be chopped up and used for material. Sometimes denim. But the recycling of the textile industry is alive and well. If you've got a bag full of clothes that is not suitable to be recycled our favorite term is to mark it "ragout." You bring it in, and we'll rag it out right away.

SV: By "rag it out" you mean recycle it?

JA: Yeah, we'll recycle textiles in a minute. That aids the mission of the Salvation Army. We actually get paid for that.

SV: So people shouldn't be hesitant when terms like "donate your gently used clothing" are used? If somebody hears "gently used clothing" they might say, "This is looking a little too used. I'd rather throw it in the garbage than donate this," but then it can't be used.

JA: Put it in a separate bag and label it "rag out." We'll be glad to receive it and recycle it.

SV: Excellent! Is there anything else I haven't covered that you'd like covered?

JA: No, I very much appreciate your interest. I do think when you talk about quality versus fast fashion, again, there are many people who come to the Salvation Army. They might pay more for a particular garment here at the Salvation Army than they would for a like garment at a Walmart or a Target. The reason being is the label. We have great quality, especially in our Lincoln Park store. We make a point of only merchandising the best of the best.

SV: With nonprofit organizations you can actually get tax money back for donating clothes. That does work with the Salvation Army, correct?

JA: That is correct.

SV: OK. With for-profit companies, that is not tax deductible?

JA: That is correct as well.

SV: Should that matter in the long run?

JA: It only matters if you're going to file long-form tax. If you're going to file long form, you'll probably want that receipt. If you file short form and take what's provided for you in the way of deductions then it really doesn't matter.

We would want donors to be conscientious. If they're interested in funding the rehabilitation of folks that are escaping the benedictions, they should support the Salvation Army with something that they're going to give to somebody anyhow. If their fathers are disabled veterans, by all means, call the Veterans' Administration. See if they've got a thrift shop somewhere. If you have a person who is suffering with mental challenges, then perhaps you want to take a look at shelters that will provide. Give back to your society in a way that means something to you.

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