

Sustainability

Secondhand fashion creates a closet refresh

21 April 2026

Key takeaways

- After nearly three years of declines, clothing spending per household has grown steadily since August 2025, rising 5.1% year-over-year (YoY) in March on a three-month moving average, according to Bank of America credit and debit card data. However, most of the growth is concentrated in luxury fashion and discount apparel, while department stores continue to lose ground, signaling increased evidence of a "K"-shaped trend in apparel.
- The number of secondhand fashion transactions per household grew nine times faster than secondhand spending in March, yet consumers across all income groups are spending less on each purchase since April 2025, according to Bank of America credit and debit card data. In our view, this points to consumers turning to resale more often to stretch budgets and shop sustainably.
- The number of Bank of America customers selling secondhand clothing grew 16% YoY in March, with Gen Z accounting for 41% of sellers year-to-date in 2026. While the fastest growth is among those selling more than four times a month, the majority still transact infrequently, suggesting resale is more often a closet clean-out than a true income stream for now.

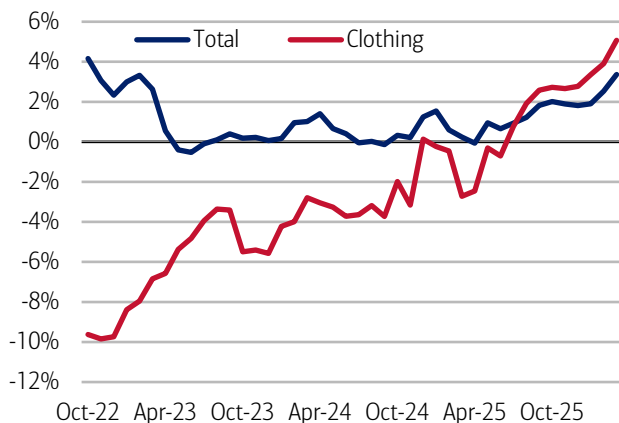
Buying clothes is back in fashion

After almost three years of declines, spending growth per household on clothing as measured by Bank of America aggregated credit and debit card data has shown a largely steady trajectory of positive year-over-year gains since August 2025 (Exhibit 1). More recently, overall clothing spending rose 5.1% year-over-year (YoY) in March on a non-seasonally adjusted (NSA) three-month moving average, surpassing total card spending.

Not all clothing purchases are in style: per Bank of America card data, luxury fashion saw the biggest gains in Q1 2026, more than five times higher than growth in Q4 2025 (Exhibit 2). Conversely, teen retail apparel (targeted for 13-19-year-olds) and department stores declined further from Q4 2025.

Exhibit 1: Spending growth for clothing has trended above total card spending growth since August 2025

Bank of America credit and debit card spending per household by category (non-seasonally adjusted, YoY%, monthly, 3-month moving average)

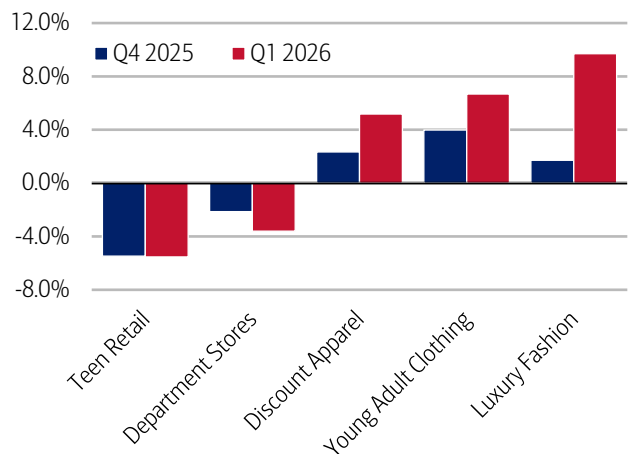


Source: Bank of America internal data

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Exhibit 2: Department store spending growth fell 3.6% YoY in Q1 2026, worsening from the previous quarter

Credit and debit card spending per household by apparel category (NSA, quarterly average, YoY%)



Source: Bank of America internal data

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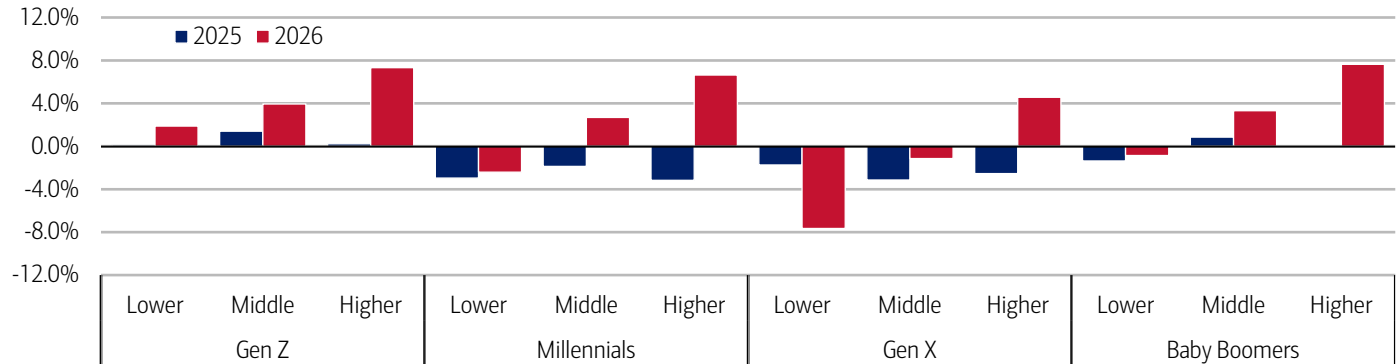
Gen Z fit check evident even among the “K”

Discount apparel spending growth also increased along with the category of young adult (targeted for 20–24-year-olds) clothing. The discount segment is likely benefitting in part from tax refunds as well as trading down, while the gains in young adult clothing could be supported by Gen Z, whose YoY apparel spending growth overall was up across all income cohorts – the only generation to do so (Exhibit 3).

The strength among higher-income consumers provides further proof of the “K”-shaped economy, especially when it comes to discretionary spending (read more on this in our [April Consumer Checkpoint](#)). By contrast, the only group whose spending growth deteriorated this year compared to last was lower-income Gen X households (read more on generational differences in spending in [March’s Will younger-gen spending hit a gas-price speed bump?](#)).

Exhibit 3: Gen Z is the only generation to have increased apparel spending growth in March across all income cohorts

Clothing spending per household by income and generation in March (annual, YoY%)



Source: Bank of America internal data

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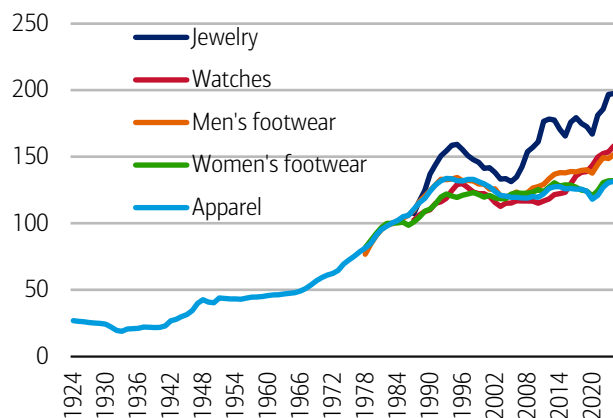
Secondhand fashion offers an environmentally friendly and economic alternative

Still, as inflation persists, and retailers confront tariff costs, consumers are facing higher price tags on apparel – about five times higher than they were a century ago (Exhibit 4). Beyond discount apparel, secondhand fashion offers consumers an environmentally friendly and economical alternative to clothing purchases. Using Bank of America credit and debit card spending data, we found transaction growth per household on secondhand fashion (see Methodology for definition) was nine times that of secondhand spending growth in March (Exhibit 5), suggesting consumers believe that dollars go further when shopping that way.

Note that, for this secondhand fashion analysis, the scope of this series is limited to market-driven secondhand fashion platforms and does not extend to donation-based, charity-centered thrift models. Additionally, spending is predominantly online but can include brick-and-mortar.

Exhibit 4: Apparel prices are about 5x higher than a century ago

Consumer price index for apparel categories (annual, index, 1982-84 = 100)

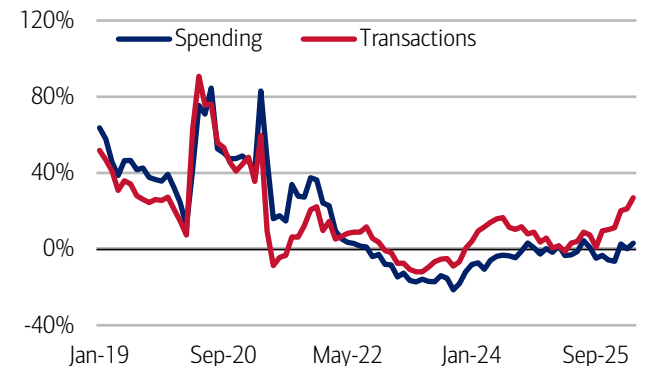


Source: Bureau of Labor Statistics

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Exhibit 5: Secondhand fashion transactions growth per household was up 22% YoY in March

Secondhand fashion spending and transaction growth per household (monthly, YoY%)



Source: Bank of America internal data

Note: Secondhand fashion is comprised of market-driven secondhand fashion platforms and does not extend to donation-based, charity-centered thrift models.

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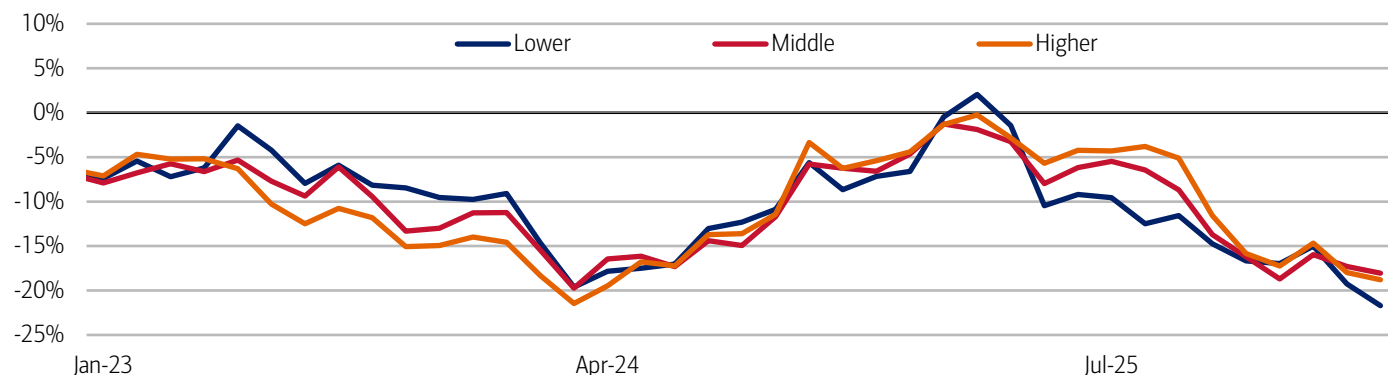
Higher-income Millennials spend more on secondhand fashion

Higher-income households account for the greatest share of dollars spent in March on secondhand clothing, according to Bank of America debit and credit card data. And by generation, Millennials spent the most, followed by Gen X and Gen Z.

Additionally, spending per transaction growth for secondhand fashion has been falling for the past six months across all income cohorts (Exhibit 6), indicating that shoppers are spending less on each purchase, especially lower-income households.

Exhibit 6: Spending per transaction on secondhand fashion has been falling further across all income groups since April 2025

Secondhand fashion spending per transaction growth (monthly, YoY%)



Source: Bank of America internal data

Note: Secondhand fashion is comprised of market-driven secondhand fashion platforms and does not extend to donation-based, charity-centered thrift models.

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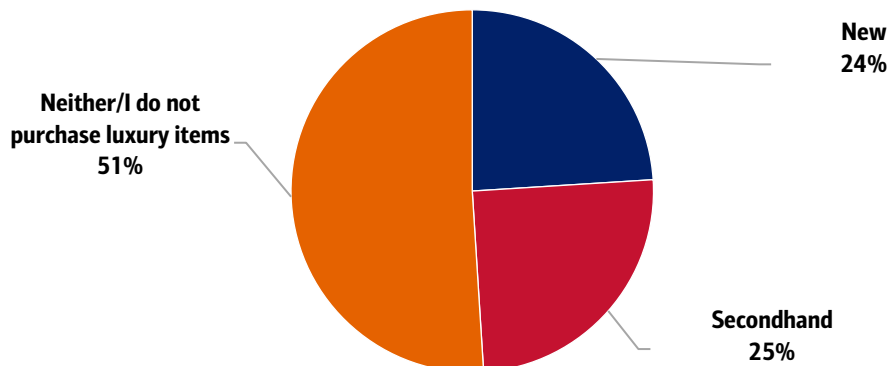
“Recommerce,” sustainable luxury fashion, and a circular economy

Rising demand for “circular” goods – previously used items - is driving spending growth in resale marketplaces like secondhand clothing. The US secondhand apparel market is expected to reach \$78.8 billion by 2030, growing at an average annual rate of about 7.3%, according to online resale marketplace ThredUp’s 2026 Resale Report conducted by GlobalData.¹ And, in 2025, the US secondhand apparel market grew nearly four times faster than the broader retail clothing market, per the report, driven by growing consumer preferences for value, wardrobe variety and sustainability.

According to BofA Global Research, on average, pre-loved clothes sell for between 30% and 40% of their original retail price. Furthermore, for consumers seeking luxury goods, there is a more active secondary market for many items, according to BofA Global Research. This reflects changing consumer tastes and a growing acceptance of pre-owned luxury (Exhibit 7).

Exhibit 7: Secondhand markets open doors to luxury brands, with as many respondents say they purchase secondhand items as those who do new

Do you prefer to purchase luxury apparel and accessories new or second-hand? (% of respondents)



Source: CivicScience

Note: 5,855 Responses from March 22, 2024 to July 11, 2025

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¹ ThredUp and GlobalData. (2026, April 2). 2026 Resale Report. ThredUp.

Gen Z turns secondhand into a side hustle

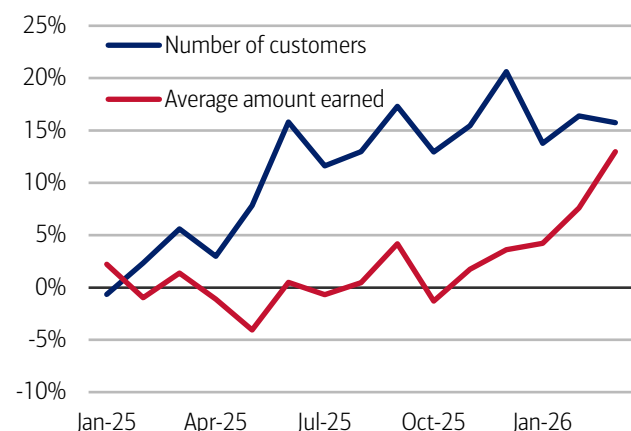
Consumers aren't just in secondhand markets to spend money – they also want to earn it. Using Bank of America internal data, we identify payment inflows from secondhand retailers into customer accounts through debit card and/or Automated Clearing House (ACH) channels to analyze who is earning extra income from secondhand shopping. Note this data excludes revenue yet to be transferred to a customer's account (i.e. keeping money from a sale on a platform as credit towards another purchase).

In March, the number of Bank of America customers selling at secondhand retailers grew 16% YoY (Exhibit 8). This trend has mostly been on the rise since the start of 2025. Interestingly, the average monthly earnings (i.e. revenue per customer), was up 13% YoY in March – a notable increase from the previous six months, where growth was largely flat.

Who are the sellers? Gen Z comprised 41% of secondhand sellers year-to-date (YTD) in 2026, up from 37% in 2024 (Exhibit 9). Millennials averaged 38%, followed by Gen X at 14%.

Exhibit 8: The number of customers selling at secondhand retailers increased 16% YoY in March

Secondhand sellers and average amount earned (monthly, YoY%)



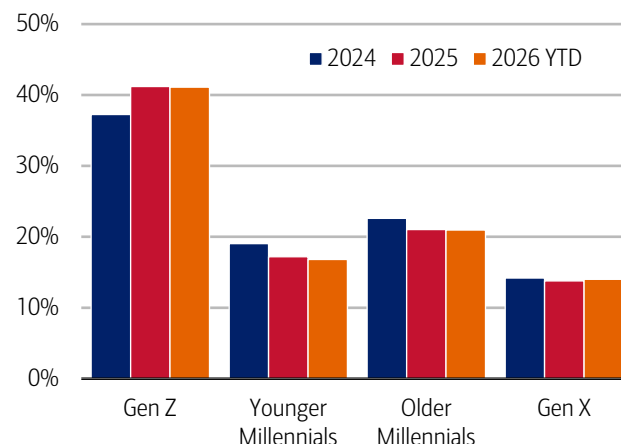
Source: Bank of America internal data

Note: Secondhand fashion is comprised of market-driven secondhand fashion platforms and does not extend to donation-based, charity-centered thrift models.

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Exhibit 9: Gen Z comprised 41% of secondhand sellers year-to-date in 2026

Secondhand sellers by generation (% of customers, annual average)



Source: Bank of America internal data

Note: Secondhand fashion is comprised of market-driven secondhand fashion platforms and does not extend to donation-based, charity-centered thrift models.

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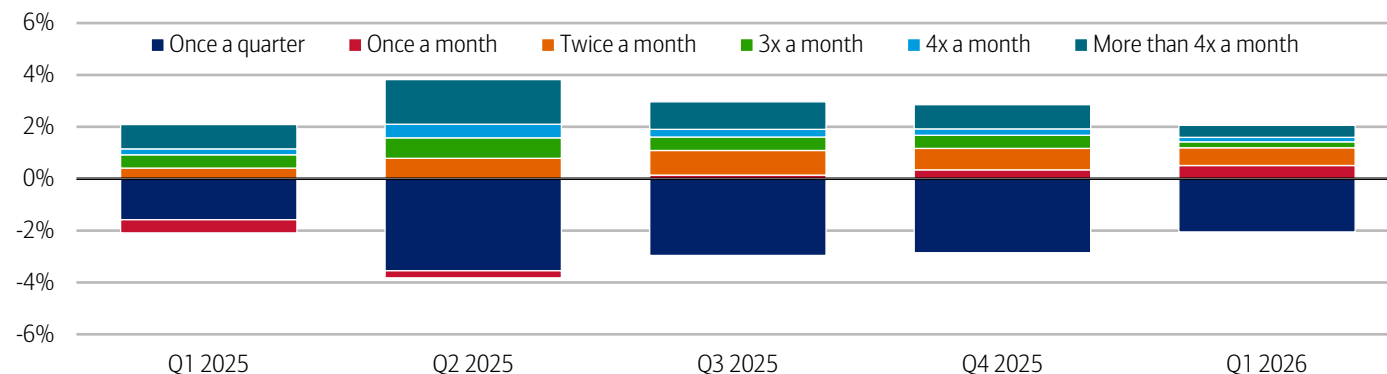
Almost three-quarters of sellers only do so once a quarter or once a month

In Bank of America internal data, most customers selling on secondhand marketplaces offer items once a quarter or once a month, with almost 73% of them following this pattern in Q1 2026. This suggests to us that selling on these platforms is still predominantly used as a way to make some extra pocket change or participate in sustainability.

However, secondhand sellers are increasingly transacting more frequently, with average growth in share over the past four quarters greatest amongst those customers, selling more than four times a month (Exhibit 10).

Exhibit 10: Sellers are increasingly transacting more than once a quarter

Frequency in which customers sell secondhand (percentage point difference from last year's period)



Source: Bank of America internal data

Note: Secondhand fashion is comprised of market-driven secondhand fashion platforms and does not extend to donation-based, charity-centered thrift models.

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Methodology

Selected Bank of America transaction data is used to inform the macroeconomic views expressed in this report and should be considered in the context of other economic indicators and publicly available information. In certain instances, the data may provide directional and/or predictive value. The data used is not comprehensive; it is based on **aggregated and anonymized** selections of Bank of America data and may reflect a degree of selection bias and limitations on the data available.

Bank of America credit/debit card spending per household includes spending from active US households only. Only consumer card holders making a minimum of five transactions a month are included in the dataset. Spending from corporate cards is excluded. Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs.

If applicable, the consumer deposit data based on Bank of America internal data is derived by anonymizing and aggregating data from Bank of America consumer deposit accounts in the US and analyzing that data at a highly aggregated level.

If applicable, any payments data represents aggregated spend from US Retail, Preferred, Small Business and Wealth Management clients with a deposit account or credit card. Any reference to aggregated AI spend include total credit card, debit card, ACH, or bill pay.

Secondhand fashion transactions are conducted through Bank of America debit card or ACH channels and secondhand retailers are identified using industry-researched merchant names. Note that the scope of this series is limited to market-driven secondhand fashion platforms and does not extend to donation-based, charity-centered thrift models. A majority of these transactions were conducted on digital platforms but could also include brick and mortar transactions.

Generations, if discussed, are defined as follows:

1. Gen Z, born after 1995
2. Younger Millennials: born between 1989-1995
3. Older Millennials: born between 1978-1988
4. Gen Xers: born between 1965-1977
5. Baby Boomer: 1946-1964
6. Traditionalists: pre-1946

CivicScience polls were conducted to various audiences across the US. These are unweighted responses and are conducted through the specific time frame given.

Unless otherwise stated, data is not adjusted for seasonality, processing days or portfolio changes, and may be subject to periodic revisions.

Additional information about the methodology used to aggregate the data is available upon request.

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