

U.S. used clothing anchors local economies in El Salvador

New study indicates US second-hand clothing a major source of affordable clothing in El Salvador

ATLANTA, GA, UNITED STATES, May 29, 2026 /EINPresswire.com/ -- A new study on second-hand clothing (SHC) in El Salvador shows what circularity looks like in practice. It finds that clothing collected in the United States is not waste, but a valued supply stream that is sorted, priced, and distributed through an organised reuse market. The result is affordable, widely accessible clothing for consumers in El Salvador, delivered through a structured value chain that turns surplus items into everyday essentials.



Central market, El Salvador

The research, conducted by Full Cycle Resource Consulting for Garson & Shaw LLC, is the first to document how El Salvador's second-hand clothing sector actually works, from importers operating their own clothing sorting facilities to tiered retail networks that systematically reduce prices week by week to keep goods moving and affordable.

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With inflation peaking at 7.25% during the post-pandemic period and around 65% of employment in the informal sector, the study suggests the sector is no longer a

stopgap but a permanent part of how Salvadoran families meet basic needs.

Among the most striking findings: across 21.8 million garments analysed, 99.56% were priced under US\$15. The single most common price point was US\$3. At the lower end of the market, multi-tier outlets sell remaining stock for as little as US\$0.15–0.33 per piece, highlighting how this affordability drives demand.

By comparison, new clothing imports averaged roughly US\$8.77 per kilogram at the border, about four times the cost of used clothing on the same basis - showing a widening price gap between new and second-hand clothing.

The findings also challenge the perception that second-hand clothing markets are fragmented. Instead, the study points to highly organised, vertically integrated businesses that own sorting facilities and retail networks, apply two-stage grading systems, and run structured markdown cycles, often weekly over 8 to 12 weeks, to move inventory across different income segments.

Regional pricing patterns further reflect local economic realities: average unit prices were highest in the more urbanised Central region and lowest in the more rural West, mirroring differences in purchasing power and employment formality.

"Reuse markets like El Salvador's are not a side story in textile circularity; they are its foundation," said Lisa Jepsen, CEO of Garson & Shaw. "This study shows a sector built around meeting consumer demand responsibly, with clear grading for quality, pricing that keeps clothing within reach, and distribution that reflects local purchasing power."

Jennifer Wang, Founder and Director at Full Cycle Recycling, said: "Consumer behavior in El Salvador's second-hand clothing sector reflects price sensitivity, with even marginal price differences significantly influencing purchasing decisions and inventory turnover."

The study also highlights a structural dependency: the United States supplies between 96% and 99% of El Salvador's used clothing imports. That concentration means Salvadoran ties price stability to the reliability of U.S. collection and export flows, so any disruption to upstream flows, whether from policy changes or geopolitical pressures, can quickly affect affordability for Salvadoran households.

The findings point to a clear policy implication. Policymakers in both importing and exporting countries should prioritise measures that strengthen supply transparency and responsible trading practices while safeguarding the affordability that the sector currently delivers at scale.

To access the full Garson & Shaw El Salvador study, [click here](#).

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