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Buying Used Goods

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This guide is for the elderly and not-so-elderly who may find it profitable and personally gratifying to shop and buy used goods. It is also written for persons who are searching for ways to beat the high cost of living and the anxieties of buying expensive new goods. Included are a set of precautions for those who are inexperienced or hesitant about buying used goods.

Why buy used goods?

Buying used goods offers you a way to beat high costs of new goods and to avoid having a large investment in your possessions. As you may have discovered, the stigma that used to be attached to buying used goods in many subcultural groups has diminished in recent years. More people are buying used goods and there are more opportunities to do so than ever before.

The author recently conducted a study of the buying habits of older adults in Missouri. Respondents in the study identified a number of reasons for having purchased used goods:

- To replace items that had worn out through normal wear-and-tear (e.g., a refrigerator).
- To be able to buy a product of better quality than they could find among new items.
- To replace items that had been given to family members or friends (e.g., buying stainless steel flatware to replace silverware given as an heirloom to a granddaughter).
- To meet new needs (e.g., purchasing a used kiln to satisfy a new interest in making pottery).
- To replace items that they sold to "lighten their load" before moving (e.g., replacing a sofa with another sofa in the new location).

Where and how to find used goods

Information on where to buy used goods is easy to come by. Radio stations have "trading posts" and "swap shops on the air;" newspapers have expanded their services in helping readers sell and acquire used items; and supermarkets routinely make billboards available for customer use. Perhaps most notable are the weekly shoppers that contain ads for hundreds of used items.

Nearly all cities and many towns have regular outlets for serviceable, used goods. Some outlets operate as businesses, and some are services of church, philanthropic or civic-related groups. Some are specialty shops such as those that sell "vintage" clothes and accessories. Proprietors usually charge substantial prices, but they also pay better prices for the merchandise they acquire. A velvet hat that might bring 50 cents at an auction might bring its owner \$5 if sold to a proprietor of a "vintage" clothes shop.

Most used items are either sold directly through media ads, at garage sales or at auctions. Individuals with something to sell may try a number of sales strategies. A common pattern is to advertise an item in the local newspaper or on a radio program. If it doesn't sell, the person may put it in a garage sale. Then if the item doesn't sell, it may be taken to a regularly held community auction. The expected sale price or return on the item may go down with each successive time it is offered for sale.

Estate and consignment auctions are common in both rural and urban settings. Auctions have become the hunting grounds of collectors of precious and semiprecious objects. Elderly hobbyists are increasing in number, and a wide range of things formerly bought for use are now "collectibles," e.g., thimbles, dishes, bottles, insulators, roll-top desks, even automobiles!

Those who buy "for use" may find certain items, particularly at auctions, priced out of range by amateur and sometimes professional collectors. Also, it is advisable to go to a few garage sales and auctions to find out the popularity of certain kinds of goods you might want to buy or sell.

Making used goods work for you

The consumer of any age who chooses judiciously from the array of used goods available in the many outlets can save hundreds, even thousands, of dollars annually. Consider one of the many anecdotes of participants in our recent study of the buying habits of older Missourians.

"About five years ago my neighbor bought a new harvest gold side-by-side refrigerator for \$900. To hear her tell it, she has had nothing but trouble with it. Yet, to show you how you can save money, about three years ago I bought an identical refrigerator at an auction for \$185. My husband and I hauled it home and installed it ourselves. We also paid \$15 for an appliance dealer to check it out and clean the motor. Our total cash outlay was about \$215. We've used the refrigerator three years without a problem, and we love it. I think that with my used model I've had the better deal."

To buy or not to buy

Experience may be the best teacher when buying used goods. Many people go to auctions or garage sales not just to socialize, but also to hunt for bargains. However, buying many items should be done with considered judgment and skill as a consumer.

Some large items that sell as secondhand goods — major household appliances, furniture, farm machinery, trailers, automobiles and even houses — involve a lot of money. Such buying is not done without planning and forethought.

The solution to the problem "to buy or not to buy" used goods is not a simple yes or no answer. But, given the prospect of a slowed-down economy, rising labor costs and continuing inflation, buying more used goods may be wise if you go about it in an informed and cautious manner. The remainder of this guide deals in the specifics of good consumer practices for buying used goods.

Guidelines for buying used goods

These pointers may help you make wise use of secondhand goods.

- **Know value**

If you don't know what something is worth, you face the risk of paying too much. It is easy to overpay at auctions when shoppers are involved in competitive bidding. To avoid overpaying for secondhand goods, compare prices by having on hand one or more current mail-order catalogs.

- **Know brand names**

Know reputations for quality; however, beware of overpaying on the basis of a brand name. If you see that other bidders are getting carried away with a certain name-brand product, you may be wise to forgo this purchase and buy another used item or even a new one.

- **Control your desire to buy**

Avoid purchases that are not likely to fit your needs now or in the future. One of the pitfalls of buying many used items is that one becomes the owner of a lot of seldom or never used possessions. You may think seriously before spending \$10 for one product at a retail store, but then pay \$25 at a garage sale for a "bargain" that's worth \$100 retail but that you will never use. Your bargains in the secondhand marketplace may involve greater investment than some new item that you've been doing without because you couldn't afford it.

- **Deliberate a day or two on major investments**

Get a second opinion if you can. We have all heard about a person who buys a used car and finds that he or she has taken over the previous owner's problems. Getting a mechanic's opinion, even if it costs you, may be a wise precaution. If we all were required to deliberate on decision, the volume of money wasted on secondhand sales would decline sharply. One person's junk might appear to be your treasure, but tomorrow you may have a different viewpoint.

- **Consider additional costs**

No matter how little you pay for an item, this may be only part of your cost. In addition to the cost for transportation, alteration, repair, etc., you have an investment of your time. If the item is unsatisfactory for you, you may have to resell it, perhaps at a loss. Before making any purchase, ask yourself if you are willing to take this risk.

As you shop

- On the basis of sale announcements, decide what would constitute a reasonable price. A good rule of thumb is to pay no more than 50 percent of an item's retail value. At auctions, don't bid over 30 or 40 percent.
- Go to sale sites early. The selection will be better, and you will have more of an opportunity to examine the merchandise.
- After you arrive at a sale site and have the chance to look at an item, decide what your bid-range will be. You can then adjust your earlier decision on the basis of the condition of the item. Make notes and carry a pocket calculator to add up purchases.
- If you are an interested buyer and are willing to expend the energy, you may save money if you make a counter-offer to any asking price. Do not assume that the asking price is a firm price.
- Be cautious about affirming an auctioneer's first asking price. Wait patiently and you may be able to purchase the item for \$5 instead of \$25.
- Remember that all sellers have their needs and personal goals. Without taking undue advantage of a seller in need, you may — if you are aware of these needs — save on the purchase of furniture, tools or other goods from a seller who is moving and needs to dispose of his or her property.
- Assume that the seller has some experience with the item he or she is selling. If the seller has owned and used the item, he or she has knowledge about its condition and value but may not share it with you unless you can ask and probe intelligently.
- Many sellers have developed a "line" to tell prospective buyers about the item. This is especially true at weekend or other occasional sales promoted in classified ads or in a weekly "shopper." The number of previous owners, the extent of previous repairs, and the age and working condition of the model may be misrepresented (in favor of the seller) in a somewhat innocent and urgent attempt to "move" the item. You must be able to work your way past the seller's "line" to get to the real facts about the product. If you could check with a dealer, for example, you might learn from the model number that the appliance is ten and not five years old, as the buyer may have told you.
- Assume that the best buys in used merchandise will come from families or individuals who are selling merchandise they have owned and used.

The world of secondhand purchases is a fascinating one. There are risks, as we have pointed out, but of course there are rewards. If you have carefully assessed your needs and have decided to buy something, if you know something about what you are buying and use the same good judgment you have used in buying new items, you will undoubtedly have many successful experiences. Enjoy your shopping.

The Missouri Gerontology Institute develops and coordinates instruction, research and extension activities on aging among the university campuses (Columbia, Kansas City, Rolla and St. Louis), Lincoln University and MU Extension.

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