

THE ARIZONA REPUBLIC

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Thrift cards

Utilitarian gift cards, and cards with a conscience, are expected to be top gifts as holidays go back to basics



By **Cathryn Creno**
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Gift cards traditionally have been a ticket to splurge.

Not so this year, when Arizonans are worrying about employment and keeping their gas tanks full. This season, the No. 1 holiday gift will pay for gas or purchases at discount stores.

"I love getting gas cards — they are an awesome gift," said Darby Lowry, 17, of Phoenix. She attends Shadow Mountain High School and is saving for college.

"You can carry them around. You never know when you will be out of cash and need a tank of gas."

Also desirable this year are cards for stores like Target and Walmart,

which carry merchandise ranging from groceries to fine jewelry. Cards for upscale clothing resale stores also are big.

What's out? Cards for any store that has filed for bankruptcy protection. And small-denomination cards for stores with big-ticket stuff.

"Don't give me a gift card to an electronics store," said Tempe retiree Diamond Wijesekera. "That is just a way of pushing you to go out and spend more money."

Gift-card sales this season are predicted to total \$25 billion, according to a report by research and business consulting firm Archstone Consulting.

That's about 5 percent less than

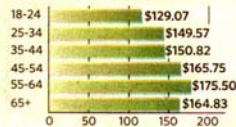
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Above: My Sister's Closet, a consignment store in Scottsdale, has a prominent display of gift cards.

Gift-card purchases by age

Baby Boomers have traditionally been the biggest purchasers of holiday gift cards

Holiday averages by age group:



Source: National Retail Federation
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Gift-card buyers taking different tack this year

GIFT CARDS
Continued from D1

was spent last year, said David Sievers, a principal and the operations leader at Archstone.

Gift cards will still be the No. 1 gift given — and requested — this year.

But the *type* of card being requested is different this year, Sievers said.

“Christmas typically is the time to splurge on luxury,” he said.

“With rising debt and unemployment, you are going to see more people buying prepaid bank cards or mass-merchant cards. A grocery-store card is not much of a gift, but if you give someone a card to Target or Walmart, they can buy groceries with it or spend it on a discretionary item.”

Terri Llach, group vice president of Blackhawk Network Inc., a subsidiary of Safeway that sells about 300 brands of gift cards on racks in grocery stores, concurs that practical cards will be this year’s bestsellers.

“We have done some research and found people are saying ‘I am going to spend \$25 or \$50 on a gift that is practical and useful,’” she said. She noted that people who buy gift cards do so because “they want the person to have what they really want.”

Gas and Goodwill

Another study, commissioned by Deloitte LLP, said 17 percent of gift-card buyers this year will give cards that people can use at gas stations.

“I would love to get a gas card. Wouldn’t you?” said Mesa retiree Marilyn Kaltynski, who said she has been giving them as gifts even before gas cost more than \$3 a gallon.

“They are great gifts.”

Resale and consignment stores also are expecting their cards to be big business this year because of the down economy.

Goodwill of Central Arizona will end its paper certificates and start selling gift cards at the non-profit’s 35 thrift stores on Wednesday.

Shadow Mountain High School student Jenny Wolf, 17, said there is no stigma to receiving such cards. She said she has gotten deals on designer items with gift cards for designer resale store A Second Look in north Phoenix.

“Once I got a Coach purse for \$20,” she said.

Eco Chic Consignments Inc., the Paradise Valley-based company that owns consignment stores My Sister’s Closet, Well Suited, My Sister’s Attic and Small Change, also expects gift cards to be big sellers this season.

The company had \$10.7 million in total sales last year and Chief Executive Offi-



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A \$25 gift certificate at My Sister’s Closet will buy a woman’s suit or a leather skirt, says Ann Siner, CEO of the company.

Cards with a conscience

Cards that support a good cause also are popular this year. Some examples:

» Vestal, owner of Tempe Marketplace and Desert Ridge Marketplace in north Phoenix, will match \$1 donations to Phoenix Children’s Hospital this season when shoppers buy special Vestal Visa Gift Cards. The cards can be purchased at either shopping center or online at www.mall-giftcard.com/vestar.

» Westcor, the Valley’s largest shopping-mall company, will donate 70 cents to American Forests for each Westcor Give Green American Express Gift Card purchased this season. Cards can be purchased at Westcor shopping centers or online at www.givethegiftcard.com.

» Giving Tree Give Card Mastercard offers a card that allows the recipient to spend 90 percent of the face value and donate 10 percent to a non-profit group of the recipient’s choice. Order online at givingtreelife.com.

cer Ann Siner said her cash registers keep ringing despite, or perhaps because of, the economic slowdown.

A \$25 gift certificate at My Sister’s Closet will buy a woman’s suit or a leather skirt — items that might sell for more than \$200 new, Siner said.

And, she said, the selection at the store is getting better because more people are consigning used designer clothes in the slow economy instead of donating them to charity.

The most popular items sold at the store include handbags by Coach, jeans by True Religion and sportswear by Juicy Couture, she said.

“A lot of husbands come into My Sister’s Closet and spend \$250 to \$500 on a gift card,” Siner said. “They say ‘This is my wife’s favorite place.’”