GAO Highlights

TEXTILE CIRCULAR ECONOMY

Policy Options for the U.S.

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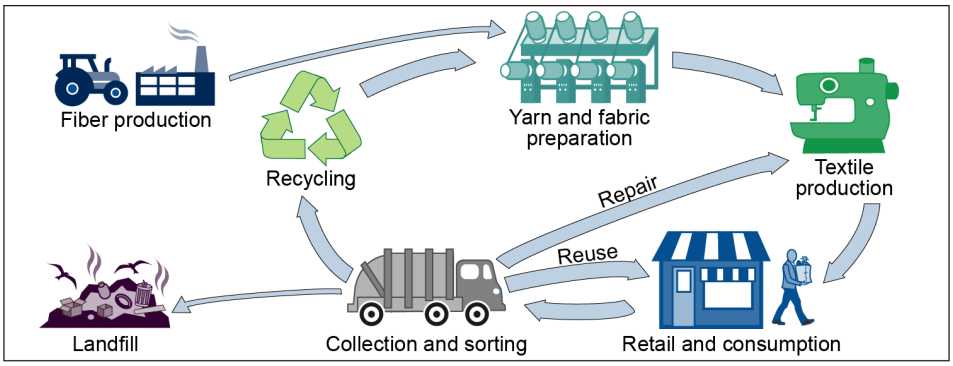
A report to congressional requesters

Contact: J. Alfredo Gómez at gomezj@gao.gov

What GAO Found

Developing a textile circular economy includes repairing, reusing, and recycling textiles and making them last longer.

Example of a Circular Economy for Textiles



Source: GAO adaptation of United Nations Environment Programme graphic; GAO (illustrations). | GAO-27-108142

In the U.S., a textile circular economy may create potential benefits and involve challenges, according to reports by federal agencies and organizations and stakeholder interviews. Potential benefits could include creating new jobs and markets related to textile repair and recycling, reducing environmental harm, and changing consumer practices. Challenges could include limited funding and domestic infrastructure for nationwide textile collection and recycling efforts.

GAO identified a number of policy options—based on relevant literature, site visits, and interviews with 49 stakeholders in the public and private sectors—that federal and state policymakers can consider if the U.S. chooses to develop a textile circular economy. Two of the options are:

- **Developing a textile extended producer responsibility program:** makes companies responsible for what happens to their products after use, along with other requirements.
- **Creating tax credits related to a textile circular economy:** reduces or offsets the amount of taxes paid by businesses when they contribute to textile circularity efforts, such as reusing textiles or reducing textile waste.

Some U.S. states and other countries are proposing, enacting, or implementing most of the identified policy options that can help develop a textile circular economy. For example, U.S. states, the European Union, and others have proposed or enacted legislation to develop textile extended producer responsibility programs. When discussing policy options, stakeholders shared key observations. For example, several stakeholders, including industry groups, told GAO they prefer a federal approach to develop a textile circular economy. A federal approach may provide for coordination, compliance, and consistent implementation across U.S. states or other countries' legal requirements, among other reasons, according to these stakeholders. However, this would require additional federal coordination and resources and depend on the government's legal authority to implement a federal approach.

Why GAO Did This Study

The textile industry is part of a massive, global economic sector—including fiber sourcing, yarn production, and textile manufacturing. Textiles include apparel and other products, such as carpets, footwear, and towels. In response to global increases in the amount of textile consumption and waste, certain U.S. states and other countries have begun to consider and implement policies that can help develop a textile circular economy.

GAO was asked to review aspects of developing a textile circular economy. This report continues GAO's previous work from December 2024 on federal efforts to address textile waste. This report describes (1) the potential benefits and challenges with developing a textile circular economy in the U.S.; (2) the options that policymakers could consider to develop a textile circular economy; and (3) identified proposed, enacted, or implemented policies, both domestically and internationally, and stakeholders' key observations.

GAO reviewed legislation, regulations, federal agency documents, and academic reports. GAO also interviewed a range of stakeholder groups, including government entities (international, federal, and state), industry, academia, and other nonfederal stakeholders, such as representatives from nonprofit organizations. These stakeholders were selected because they have, or will have, a role in ongoing or planned efforts related to a textile circular economy or were recommended by knowledgeable officials. GAO also conducted site visits to the states of Washington and Oregon, as well as France and the Netherlands to meet with private sector organizations involved with various aspects of developing a textile circular economy.