

It's In The Bag: Black Consumers' Path to Purchase

<https://www.nielsen.com/wp-content/uploads/sites/3/2019/09/2019-african-american-DIS-report.pdf>

Fifty-six percent of African Americans live in the South as of 2018, increasing from 55% in 2010 and 54% in the 2000 decennial Census. Seven of the top 10 states for African American population are located in the South and Texas now has the largest population of African Americans.

Large populations of African Americans can also be found in major metropolitan areas, with the largest populations in New York City, Atlanta, Washington, D.C., and Chicago. Texas is the only state to have two of the top 10 metro areas for Black population.

TOP STATES FOR AFRICAN AMERICAN POPULATION

RANK	STATE	TOTAL AFRICAN AMERICAN POPULATION	PERCENT OF STATE POPULATION
1	Texas	3,713,556	13%
2	Florida	3,690,640	18%
3	Georgia	3,458,600	33%
4	New York	3,452,551	17%
5	California	2,780,243	7%
6	North Carolina	2,361,565	23%
7	Illinois	1,953,628	15%
8	Maryland	1,924,311	32%
9	Virginia	1,792,223	21%
10	Louisiana	1,544,541	33%

Source: U.S. Census Bureau; American Community Survey (ACS), One-Year Public Use Microdata Sample (PUMS), 2017; generated by Ethniofact; accessed via Tipi (8 August 2019).

LARGEST METRO CONCENTRATIONS OF AFRICAN AMERICANS

METRO AREA	TOTAL AFRICAN AMERICAN POPULATION
New York-Newark-Jersey City, NY-NJ-PA Metro Area	3,768,726
Atlanta-Sandy Springs-Roswell, GA Metro Area	2,101,171
Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area	1,693,297
Chicago-Naperville-Elgin, IL-IN-WI Metro Area	1,671,532
Miami-Fort Lauderdale-West Palm Beach, FL Metro Area	1,389,782
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metro Area	1,375,452
Houston-The Woodlands-Sugar Land, TX Metro Area	1,259,000
Dallas-Fort Worth-Arlington, TX Metro Area	1,249,417
Los Angeles-Long Beach-Anaheim, CA Metro Area	1,015,376
Detroit-Warren-Dearborn, MI Metro Area	1,014,865

Source: U.S. Census Bureau; Table B02009: BLACK OR AFRICAN AMERICAN ALONE OR IN COMBINATION WITH ONE OR MORE OTHER RACES, 2017 American Community Survey 5-Year Estimates. Accessed via American Factfinder (8 August 2019).

AFRICAN AMERICAN DEMOGRAPHIC TRENDS AND ECONOMICS



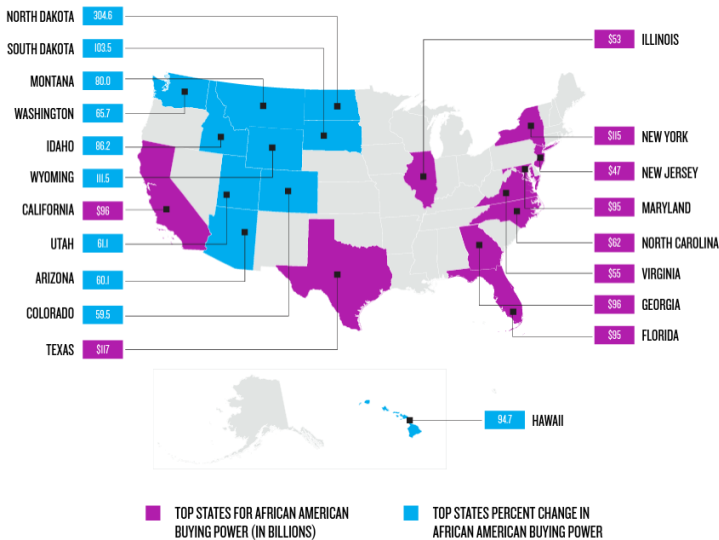
GEOGRAPHIC DISTRIBUTION OF BLACK AMERICAN BUYING POWER

Black buying power continues to grow, rising from \$320 billion in 1990 to \$1.3 trillion in 2018. Between 2000 and 2018, Black buying power rose 114%, compared with an 89% increase in White buying power. Texas now tops the nation in buying power for African Americans, along with population.³ Texas led the nation in jobs gained in 2018, and African Americans appear to have followed those opportunities into the state. Nationally, the number of Black Americans in the labor force is projected to increase from 19.6 million in 2016 to 21.6 million in 2026,⁴ at approximately the same rate of growth as the total Black population.

While more than half of African Americans live in the South, the buying power of African Americans is distributed across the U.S. Texas has now surpassed New York as having the strongest African American buying power in the U.S.. A geographically diverse group of states is seeing the fastest growth in African American buying power, with the state of North Dakota seeing the sharpest increase.

The average annual household expenditure for Black households is \$43,117. They overspend the general market on housing, apparel, transportation, personal care products, and TV, radio, and sound equipment as a percentage of their total household expenditures. Total expenditures trail the general market, but that gap is narrowing as unemployment decreases and education rates rise.

Population growth, increasing education attainment rates and a larger percentage of Blacks in the workforce are all contributing factors to the increase in buying power in the African American community.



Source: Selig Center for Economic Growth, Terry College of Business, The University of Georgia, June 2018.

CONCLUSION

The influence of African American consumers is extensive - driven by their tech affinity, passion for sharing experiences, and powered by their omnichannel thirst for information and recommendations, the 48 million Black Americans, now just approaching their peak earning years, are adopting and adapting media and technology in their shopping journey to fit their unique needs and culture.

Marketers should be aware that African Americans demand that product information and feedback opportunities be integrated across multiple media channels and they are more likely than the total population to agree that advertising provides them with meaningful information about the product use of others. Further, African Americans love the latest trends with nearly 40% of Black consumers saying that they are the first among their friends to try new products and services, surpassing the total population by 29%.

As voracious media consumers across multiple channels, Black consumers are the largest consumers of TV with over 11 hours more each week using television compared to the total population. Despite this, TV usage decreased in the last year while "internet on the go," is increasing with more time spent on video, audio and social networking than the total population on both smartphones and tablets. Black consumers are creating their own video, audio, and digital app platforms that allow them to express their aspirations and their support of thriving Black-owned businesses of all types.

The African American path to purchase is social and circular, with the transaction being a critical step in the process before consumers express their passionate feedback about their experience, be it positive or negative. Brick and mortar and online retailers and service providers should all strive to provide an experience that not only satisfies Black consumers, but creates buzzworthy raves that will quickly be passed on to friends, family and virtual networks in their discovery, awareness and decision-making processes.

Developing strategies to connect with African American consumers and assuring that their culture is understood and respected, as well as assuring that their expectations are exceeded will provide far-reaching influence and growth throughout all consumers for many years to come in the evolving American mainstream.