



The 2020 African-American Market Report

In celebration of Black History Month, Claritas has dipped into our extensive data lake to create our first African-American Market Report, providing in-depth insights into the changing face of the African-American consumer market.

In this report of the Claritas New American Mainstream series, we'll explore the Black segment in great detail, including their population growth, household income, media behaviors and consumer spending within key categories.

Currently, more than 42 million Blacks live in the United States. The median age for Black females is 34.3 and 31.2 for Black males. Continue reading to see why you can't afford to ignore this consumer segment.

Numbering over 42 million in 2019, Blacks in the U.S. represent approximately 12% of the population

Executive Summary

Although, the U.S. ad expenditure in 2019 amounted to over \$240 billion, up from \$223.7 billion recorded in 2018, new research from Nielsen suggests that advertisers spent a total of 5% less on Black-focused media between 2017 and 2018. This under-representation in media spend for Blacks is rather shocking, especially knowing that this segment commands \$1.3 trillion in annual buying power and holds a staggering aggregate spend worth \$780 billion.

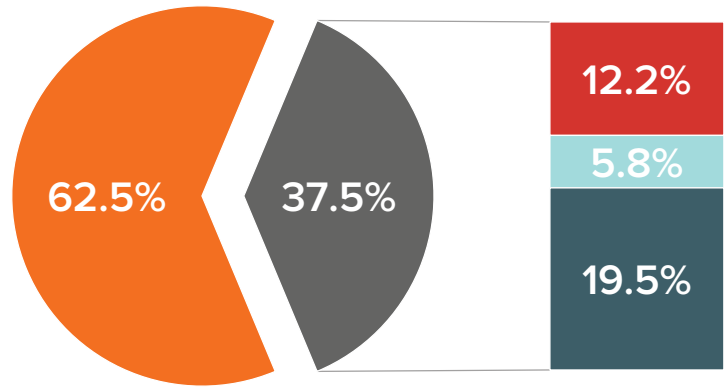
Moreover, other research suggests that the spend for Blacks, who represent 12.2% of the total U.S. population, accounted for only 1.4% share of targeted U.S. advertising and brand activation spending. In fact, media spend designed to reach Black consumers decreased year-over-year in all areas, including network TV (-13%), digital (-12%) and syndicated TV (-11%). These meager marketing investments targeting the under-valued Black consumer market suggests that corporate America has inadequate knowledge of the value of marketing to Blacks and the effect it may have on their bottom line.

To win in the new, more diverse marketplace of the 21st century and to fully-capitalize on this opportunity, marketing to Blacks must become a part of the overall corporate business strategy. This means replacing assumptions with information, ethnic and social stereotypes with facts and insights, committing to real funding, and establishing a dedicated corporate infrastructure that supports targeted marketing from top to bottom.

With this report, we intend to provide you with in-depth quantitative and qualitative data on U.S. Blacks, including their demographics, economics, cultural insights and buying trends. In summation, this report will give you the understanding needed to genuinely engage this valuable population segment and feel more secure in developing marketing strategies that will help your business gain their share of this large, fast-growing, and influential market. Any organization ignoring the importance, evolution, and influence of this projected trillion-dollar market segment may be losing valuable market share to competitors who have already committed to increasing top line sales by focusing on the Black consumer market.

U.S. Black 2019 Population Facts

Currently, there are 131,815,386 multicultural Americans in the U.S. and they account for 37.5% of the U.S. population. Blacks account for 32.5% of the multicultural segment.

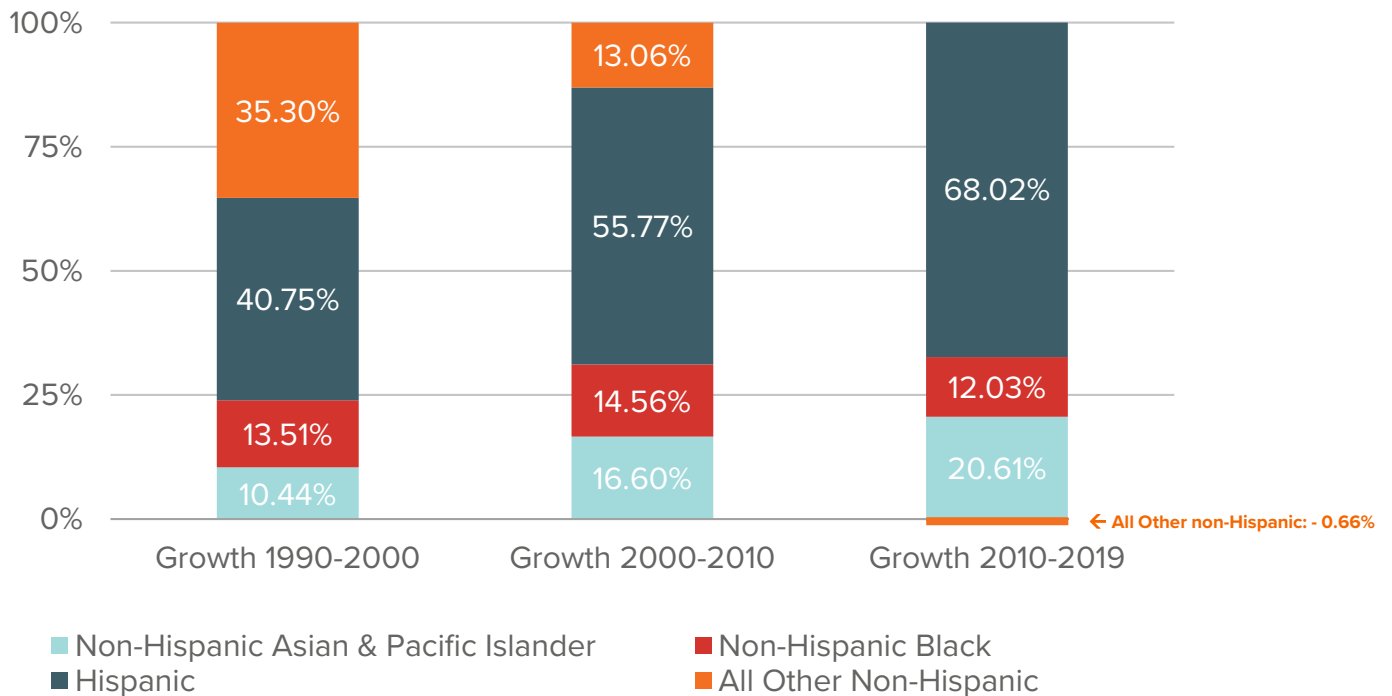


- Non-Hispanic All Others
- Non-Hispanic Black
- Non-Hispanic Asian & Pacific Islander
- Hispanic

Source: Claritas AMDS 2019

Since 2010, Blacks experienced a 12% growth in population

Population Growth 1990-2019



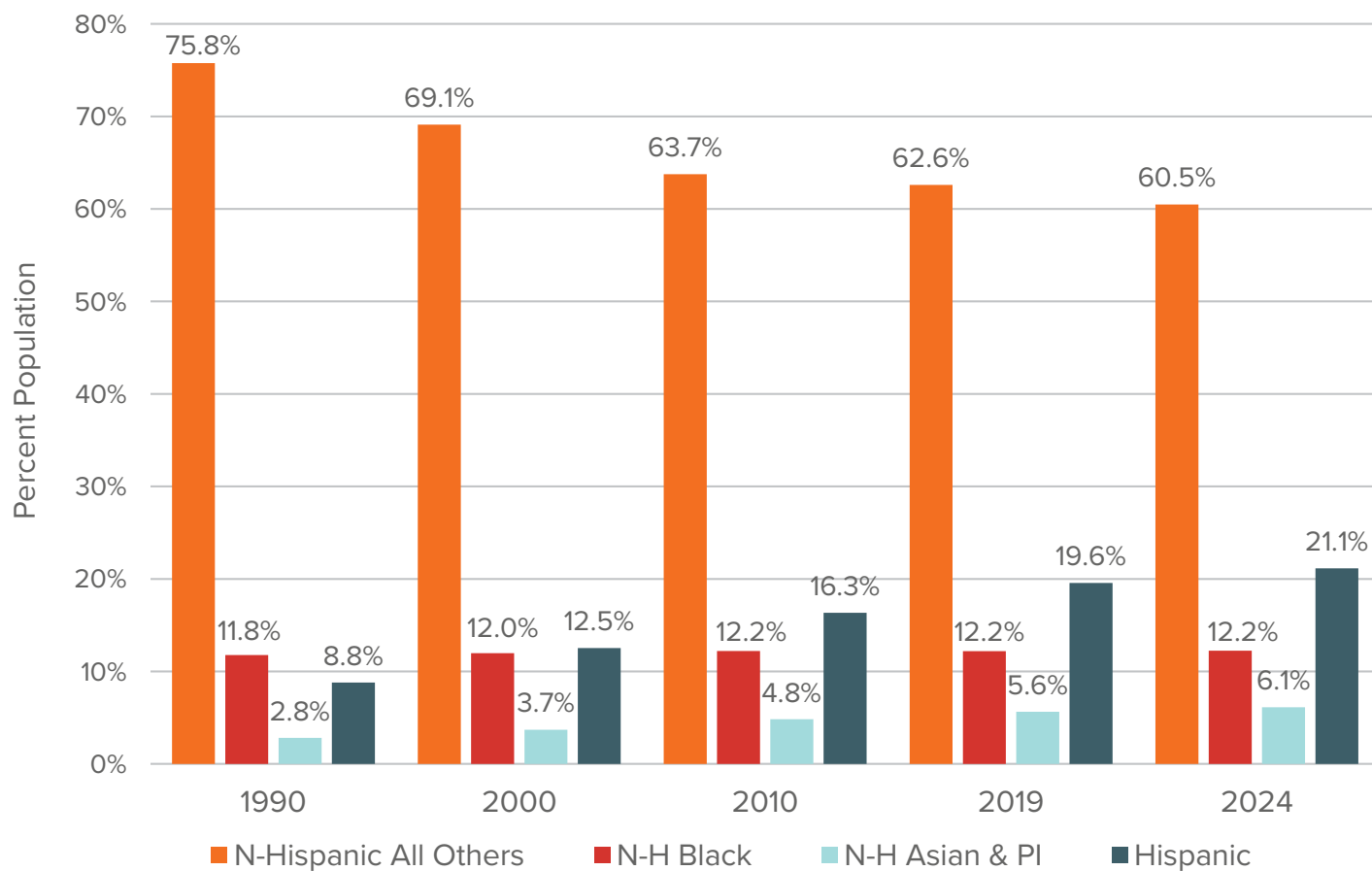
Source: U.S. Census Bureau for 1990-2010 and Claritas AMDS 2019

In 1990, the U.S. Black population was 29,930,490. By 2019, this population has grown by 40% to more than 42 million

Blacks and Hispanics have become a larger portion of our nation's population. Meanwhile, the Non-Hispanic White population proportion has been declining steadily as a proportion of overall American population.



Percent of the U.S. Population: 1990-2024



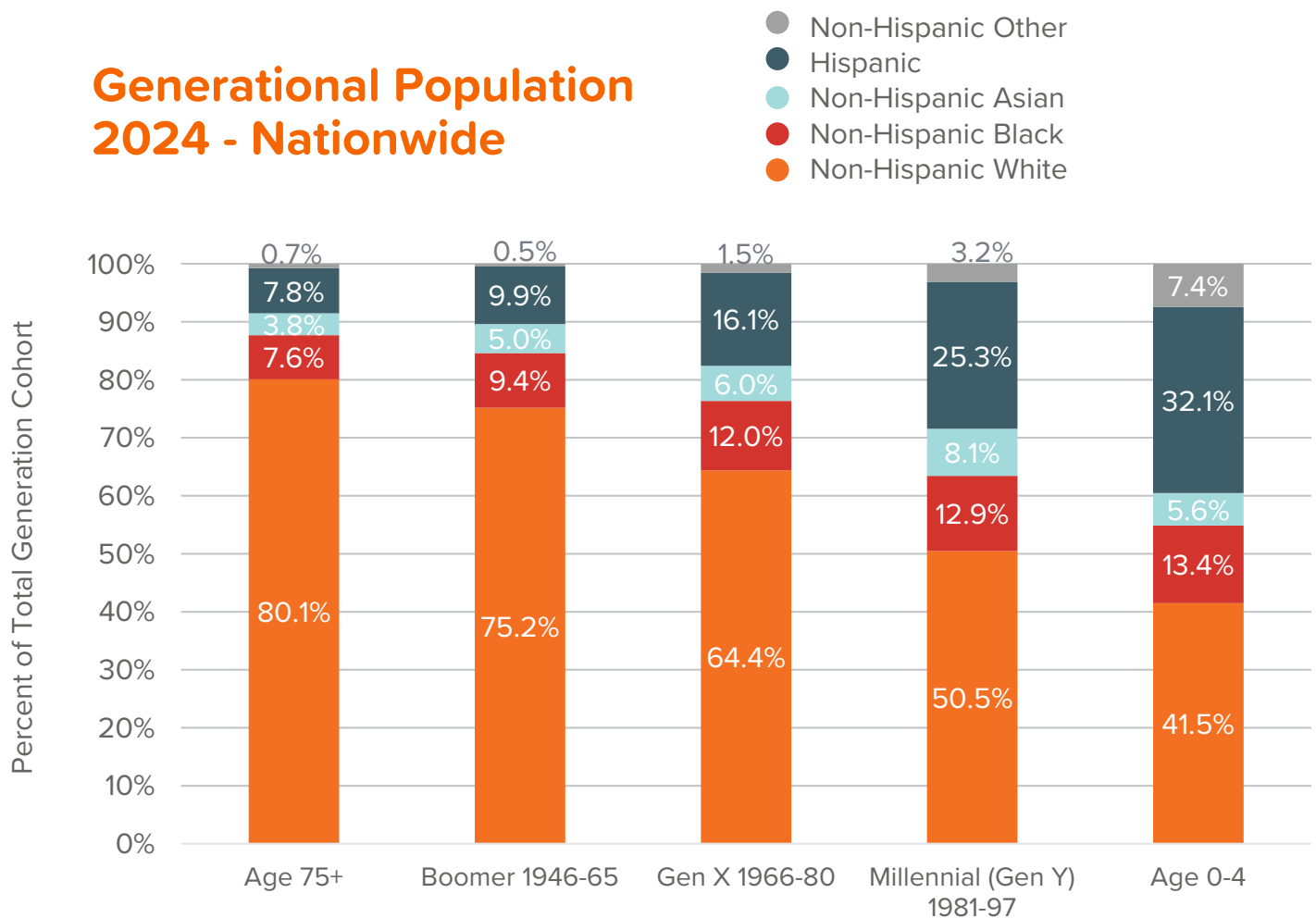
Source: U.S. Census Bureau for 1990-2010 and Claritas AMDS Projections for 2019-2024.

By 2024, the U.S. Black population will grow to almost 44 million

Younger age groups are made up from a more diverse population, while older age groups tend to be less diverse. This dramatic trend in ethnicity by generation will have deep implications for marketers in the years and decades to come as they consume products and use and react to media differently, requiring a more personalized approach.



Generational Population 2024 - Nationwide

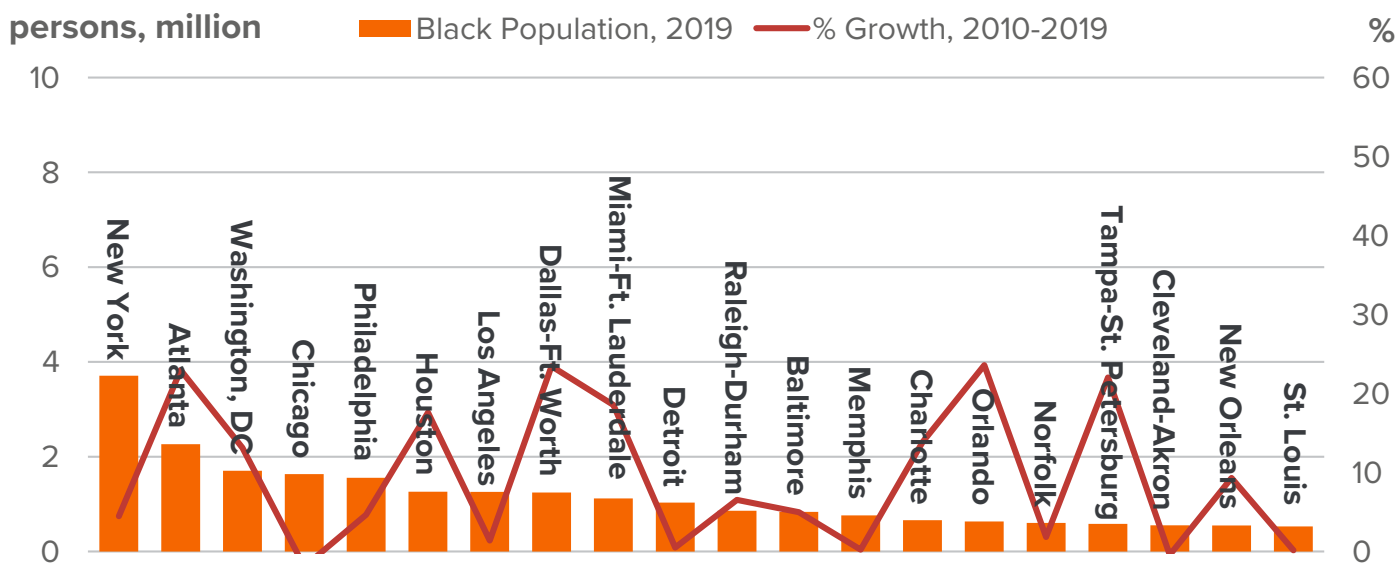


Source: U.S. Census Bureau for 1990-2010 and Claritas AMDS Projections for 2019-2024.

Where Does the Black Population Live?

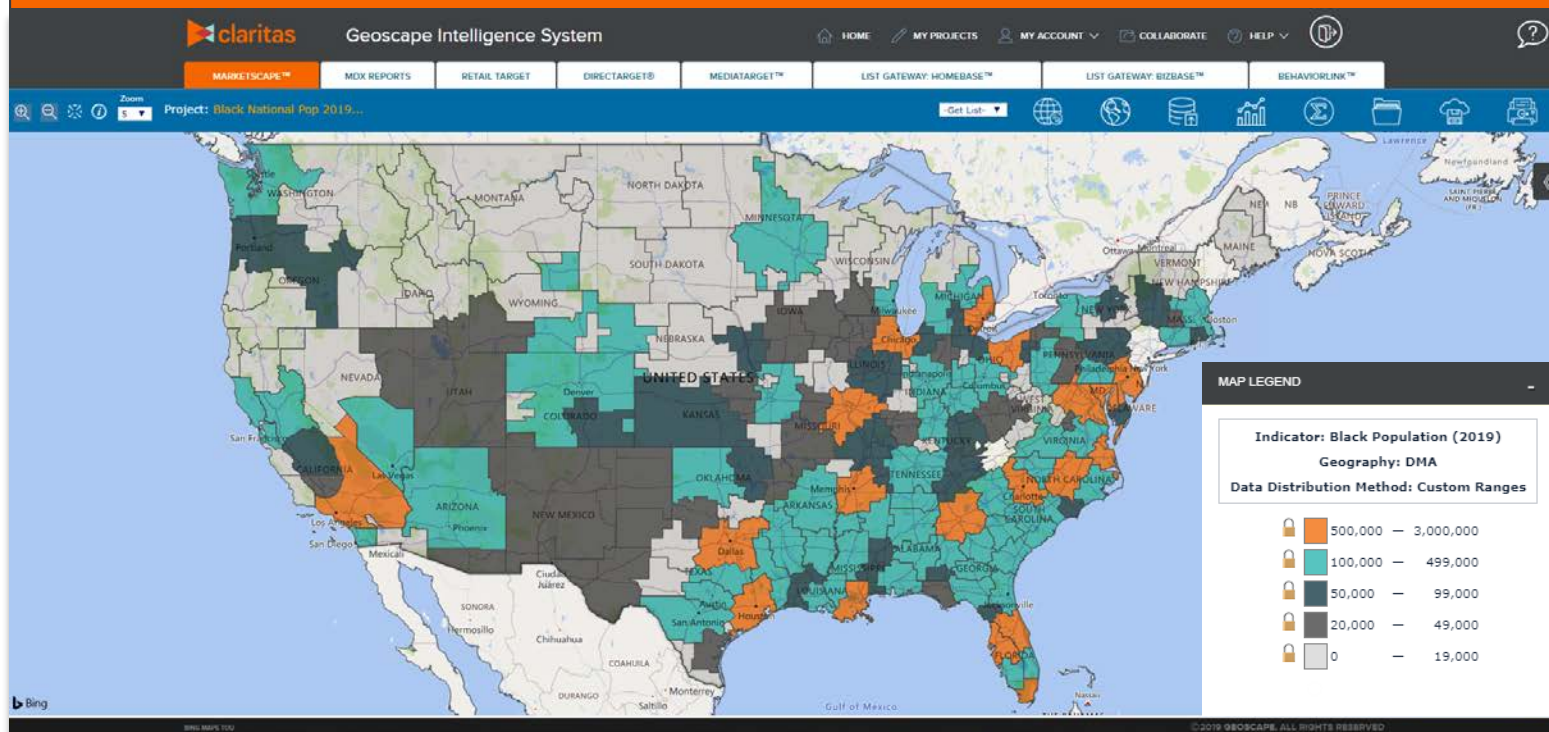
When looking at the top census region, 60% of the Black population reside in the South. Moreover, when looking at the top census division, 36% of the Black population reside in the South Atlantic. When looking at the top DMA's by count, New York, Atlanta, Washington DC, Chicago and Philadelphia came out on top. When looking at growth areas, the Black presence is showing significant growth in areas such as Atlanta, Houston, Dallas, Orlando, Tampa and New Orleans. Interestingly, areas seeing additional growth also include states such as Washington, Colorado, Arizona and Wyoming.

Top 20 DMAs By Black Count vs. Growth, 2010-2019



Source: Claritas AMDS 2019

2019 U.S. Black Population Distribution by DMA



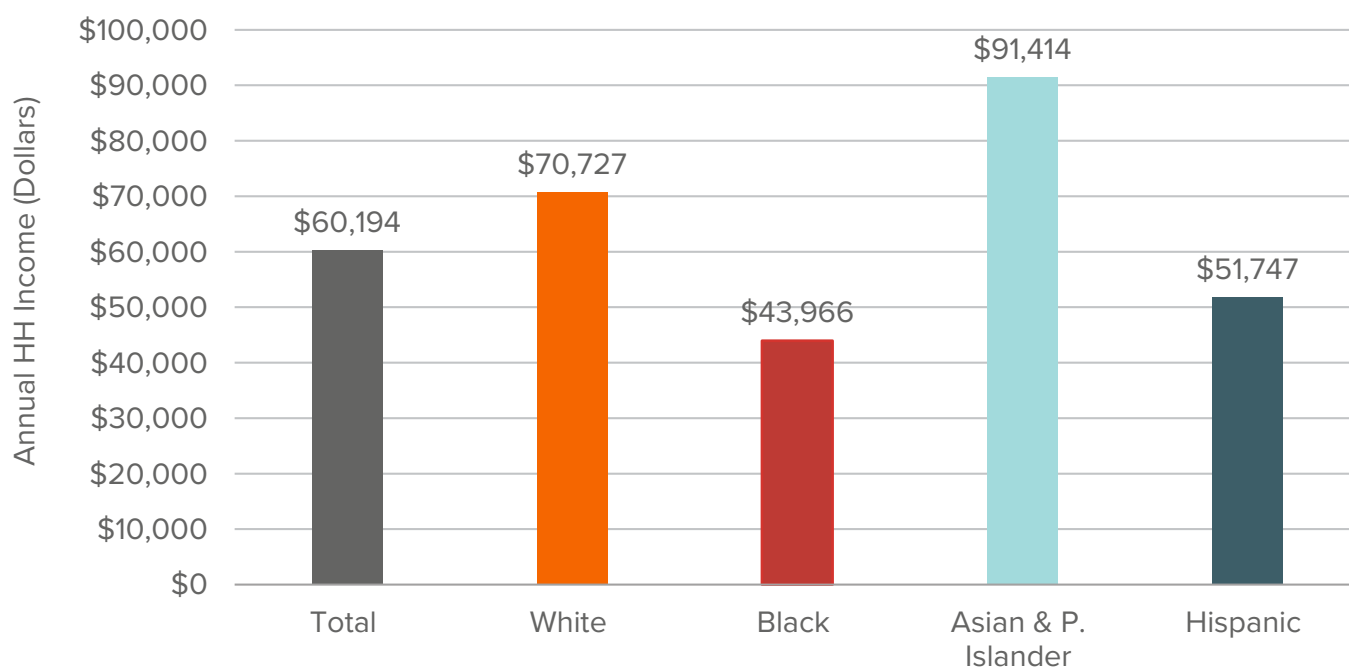
Source: Claritas AMDS 2019

The Average Black Household Earns \$61,376.

In 2019, the average annual income for Black households was 27% lower than the average annual income for total U.S. Households



Median Annual Household Income



Population	HHs	Median HH Income	Mean HH Income	Aggregate HH Income
Total	125,018,808	\$60,194	\$85,710.10	\$10,715,375,124,299
White	94,015,753	\$70,727	\$94,990.84	\$8,930,635,153,323
Black	15,506,334	\$43,966	\$61,376.06	\$951,717,660,040
Asian & P.I.	6,230,709	\$91,414	\$116,319.15	\$724,750,796,367
Hispanic	17,589,124	\$51,747	\$69,468.61	\$1,221,892,028,115

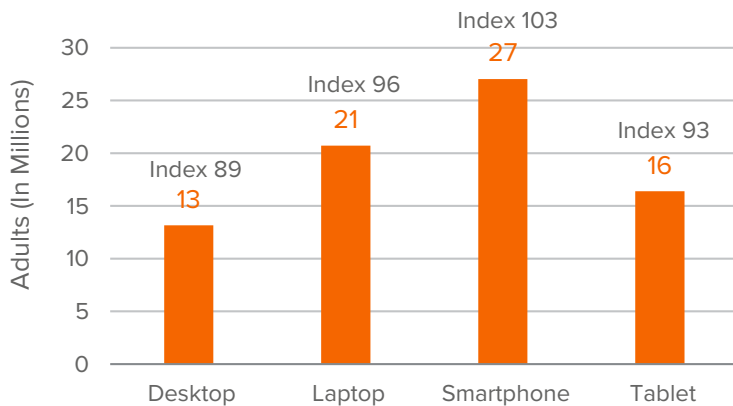
Sources: Claritas 2019

Blacks Are More Likely To Own A Smartphone. In Fact, They're More Likely To Own A Samsung or iPhone.

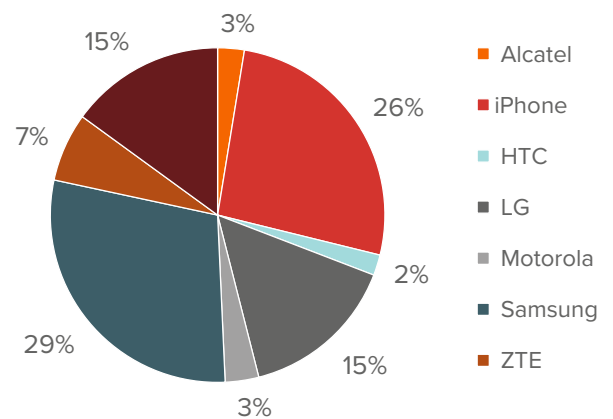
Black consumers are less likely than average to have a desktop or laptop, and more likely to own a smartphone, specifically an iPhone or a Samsung device. Also, when looking at the top wireless/cell phone carriers by count, Black consumers have more wireless accounts with Verizon Wireless and AT&T, but were more than twice as likely to use Boost Mobile and Metro by T-Mobile as represented by the indices below.



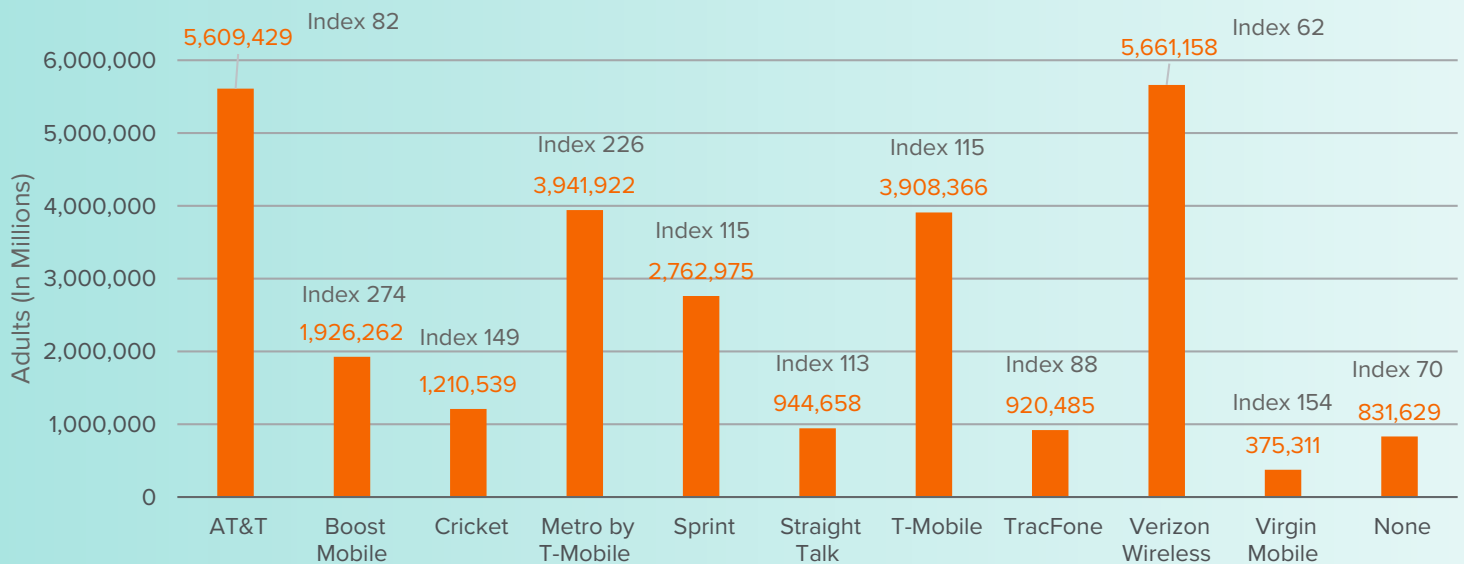
Computer/Mobile Devices Currently Owned by Blacks



Wireless Cell Phone Brands Owned by Blacks



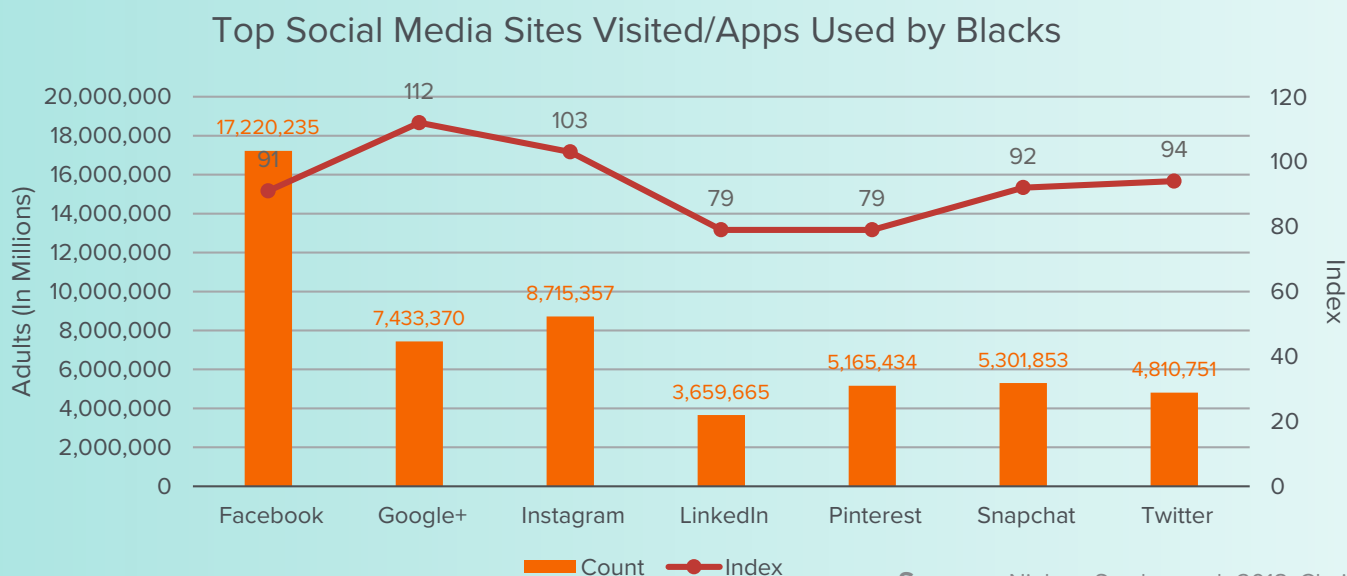
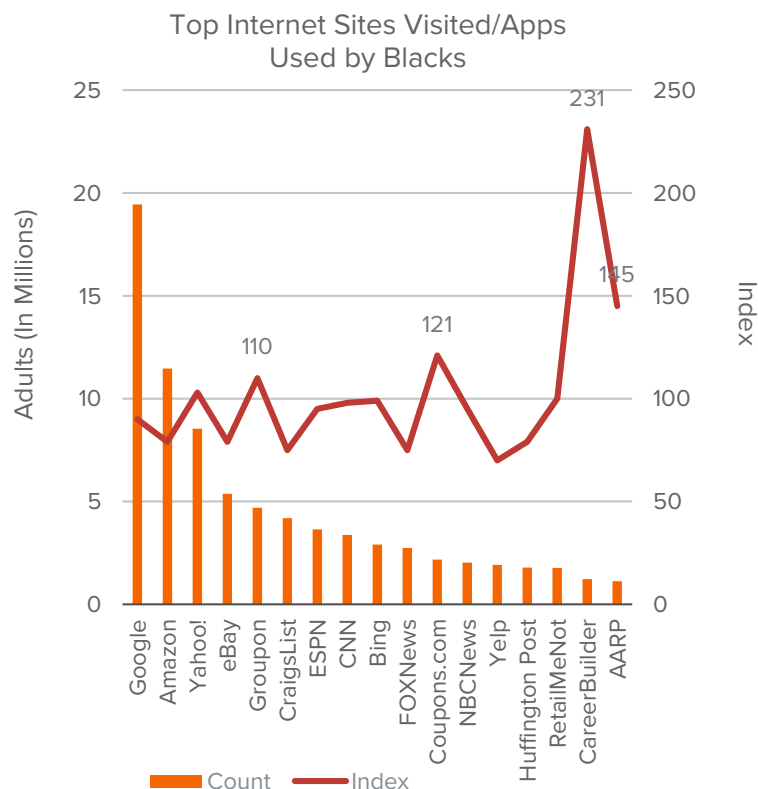
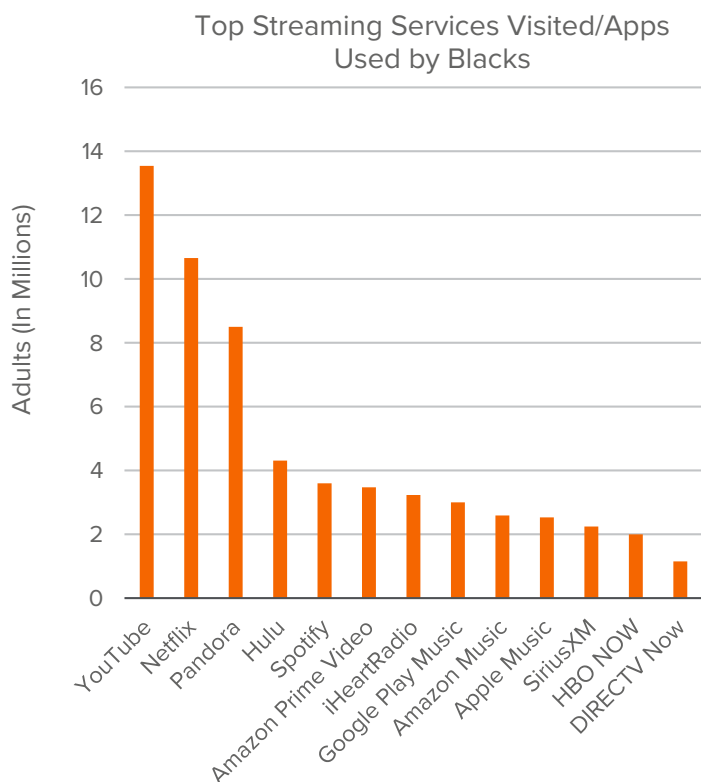
Wireless/Cell Phone Carriers Currently Used by Blacks



Sources: Nielsen Scarborough 2018, Claritas 2019

Top Internet Sites Visited/Apps Used By Blacks In 2019 Were, YouTube, Netflix, Google, Amazon, Facebook And Instagram.

By count, the top 3 streaming services visited/apps used by Blacks in the past 30 days were YouTube, Netflix and Pandora. The top internet sites visited/apps used were Google, Amazon and Yahoo!. The top social media sites used by Blacks were Facebook and Instagram. In contrast, Blacks also over-index for using Groupon, Coupons.com and CareerBuilder.com websites.

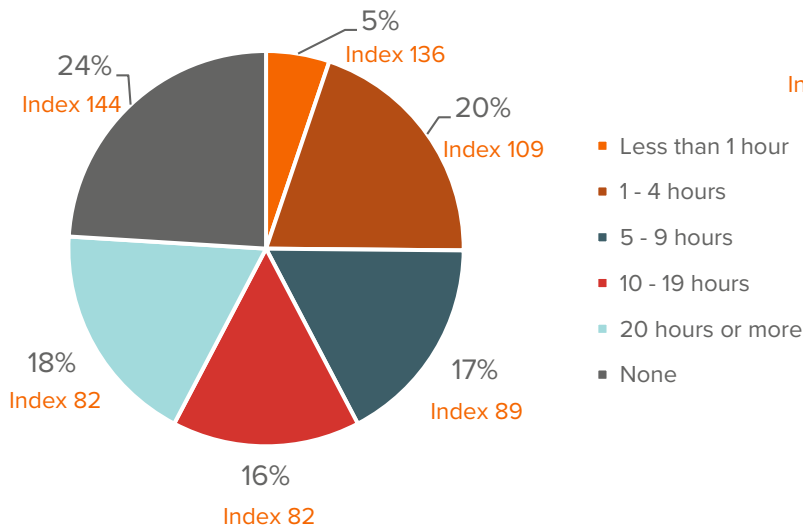


Sources: Nielsen Scarborough 2018, Claritas 2019

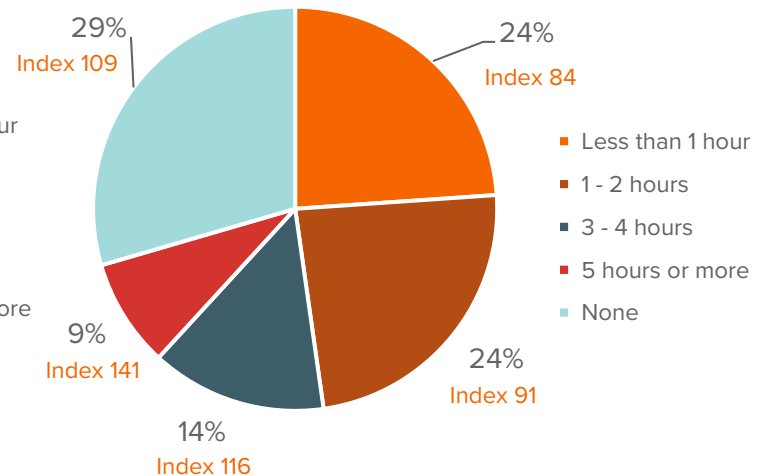
When Blacks Are On The Internet, They Prefer To Listen To Music, Play Games And Watch/Stream TV.

51% of Blacks spend 5 hours or more on the Internet in an average week. When looking at social media, we see that 9% of Blacks spend 5 hours or more in an average day on social media sites. Outside of social media, we discovered that when Blacks are on the Internet, they primarily used website to listen to music, play games and watch/stream TV.

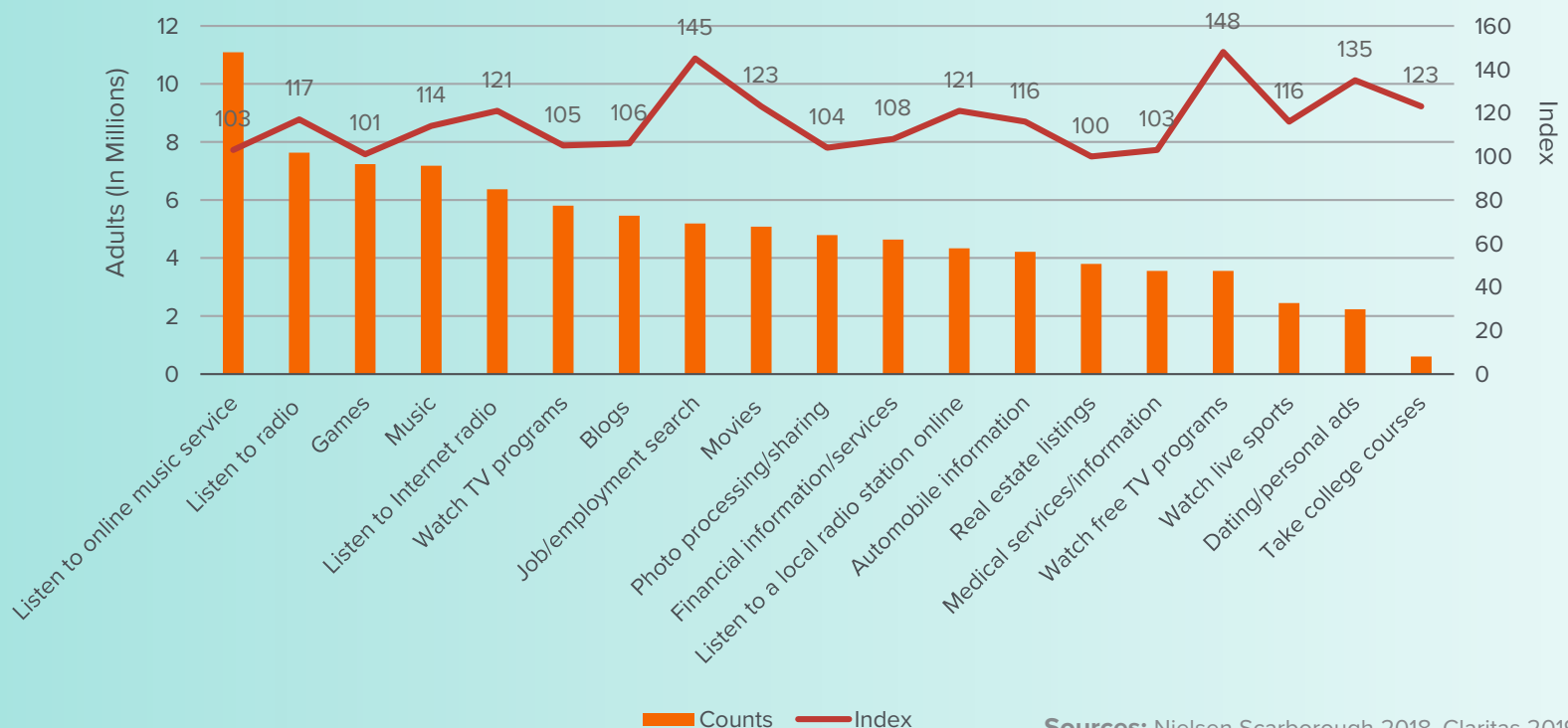
Hours Spent by Blacks on the Internet in an Average Week



Hours Spent by Blacks in an Average Day on Social Media Sites



Top Ways Blacks Used Internet/Apps in the Past 30 Days on Smartphone

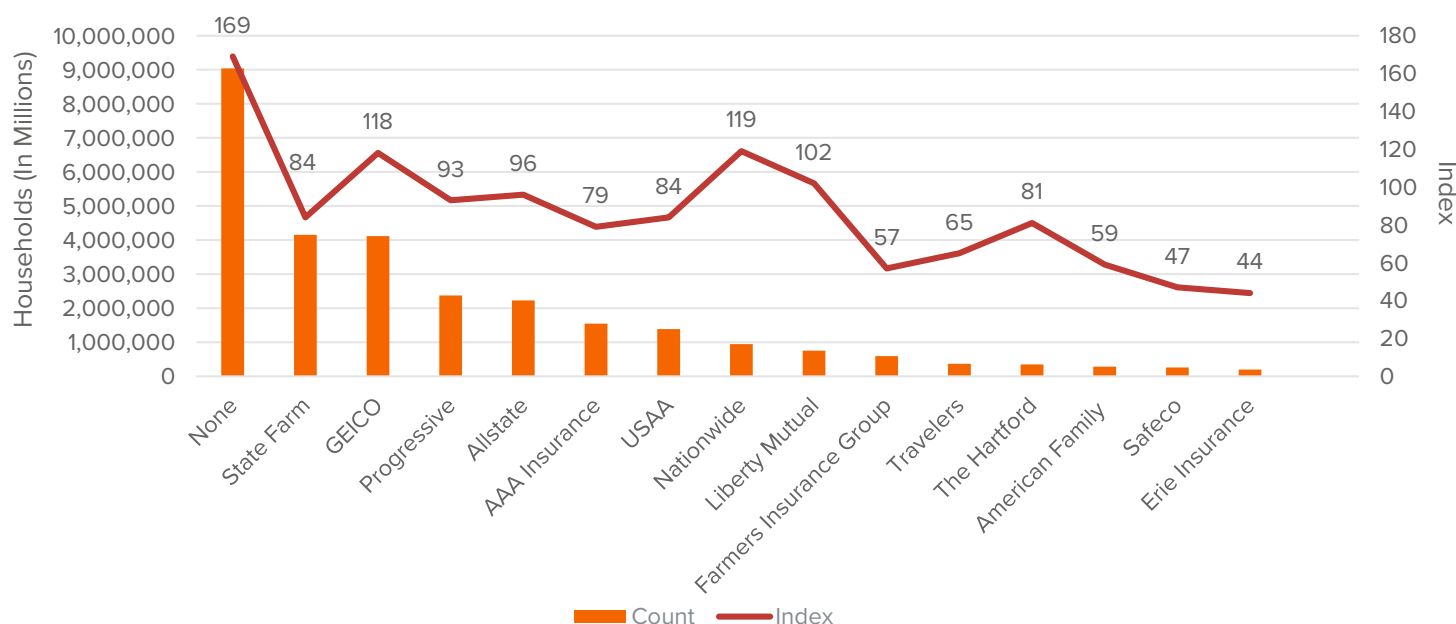


Sources: Nielsen Scarborough 2018, Claritas 2019

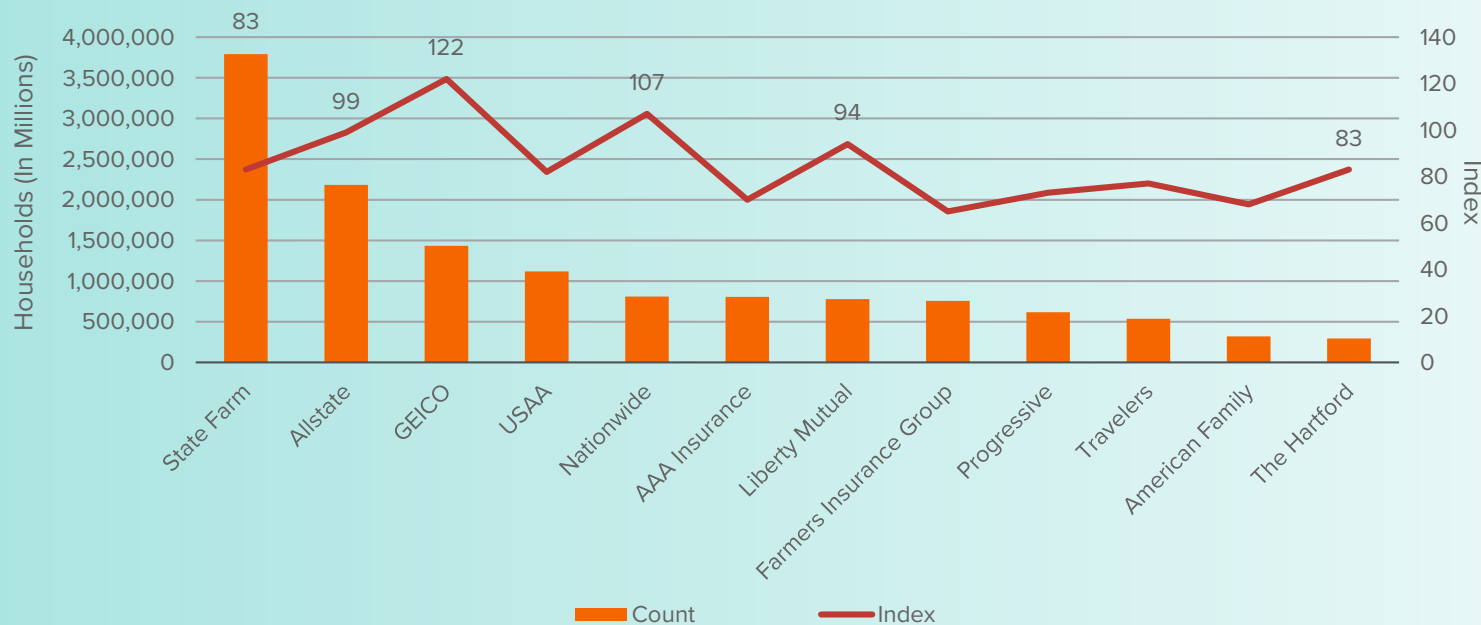
When It Comes To Auto And Homeowners/Renters Insurance, GEICO Was The Top Provider For Blacks.

By count, the top auto insurance providers for Blacks in the past 30 days were State Farm and GEICO. The auto insurance providers Blacks over-indexed for were GEICO and Nationwide. When looking at Homeowners/Renters Insurance providers, Blacks also over-indexed for GEICO. From the data below, we can suggest that GEICO has been very successful at attracting Black customers, not just for auto insurance but also for homeowners/renters insurance.

Auto Insurance Provider for Black Households



Homeowners/Renters Insurance Provider for Black Households



Sources: Nielsen Scarborough 2018, Claritas 2019

Black Household Consumer Expenditures

On average, Black households spend \$50,333 annually on goods and services. Selected categories for which Black households spend more than the average U.S. household by amount are skin items, athletic shoes, cosmetics/perfumes and women's clothing. Selected categories for which Black household spending over-indexed are costume jewelry, women's business clothing and fine jewelry. In the following sections, we'll provide a detailed picture of their spending within these categories:



1 APPAREL

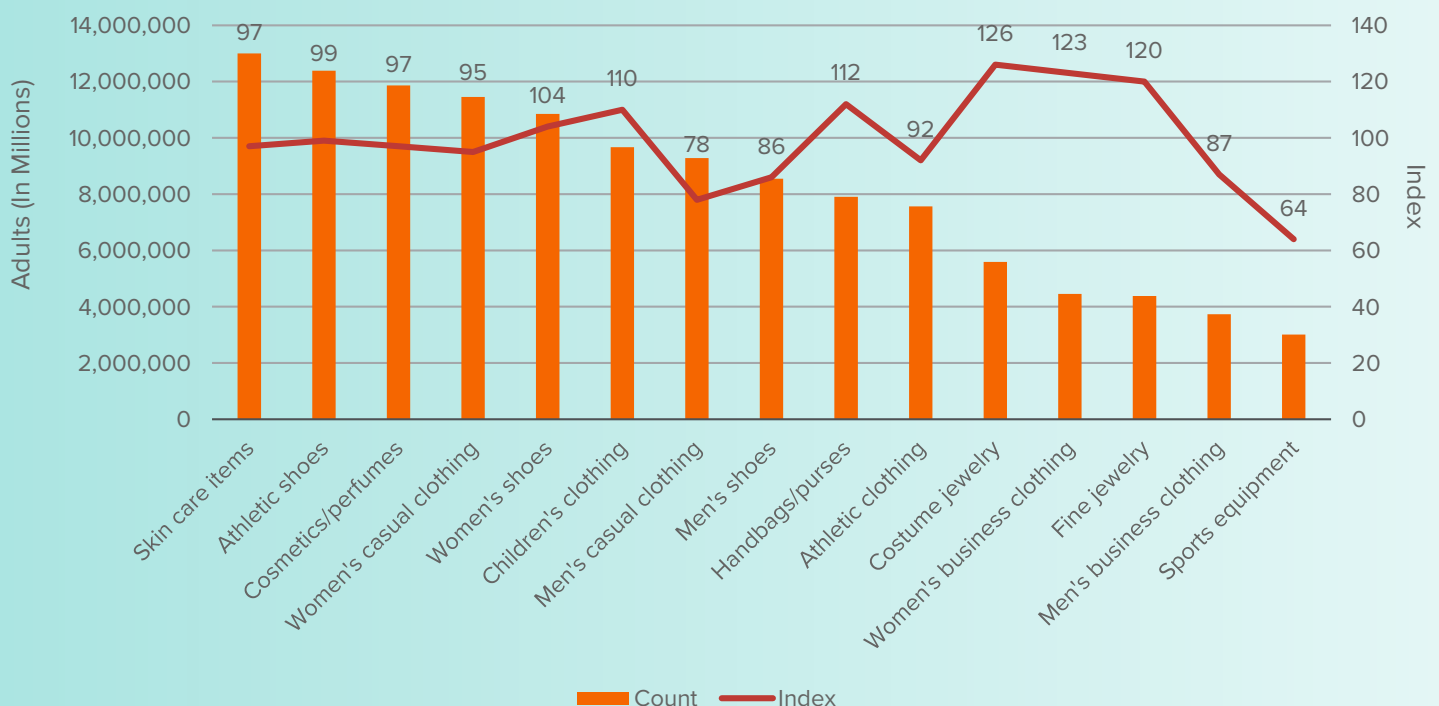
2 PERSONAL CARE

3 FOOD AT HOME

4 FOOD AWAY FROM HOME

5 ENTERTAINMENT

Items Bought By Blacks in the Past 12 Months



Sources: Nielsen Scarborough 2018, Claritas 2019

Black Consumer Spending: Apparel

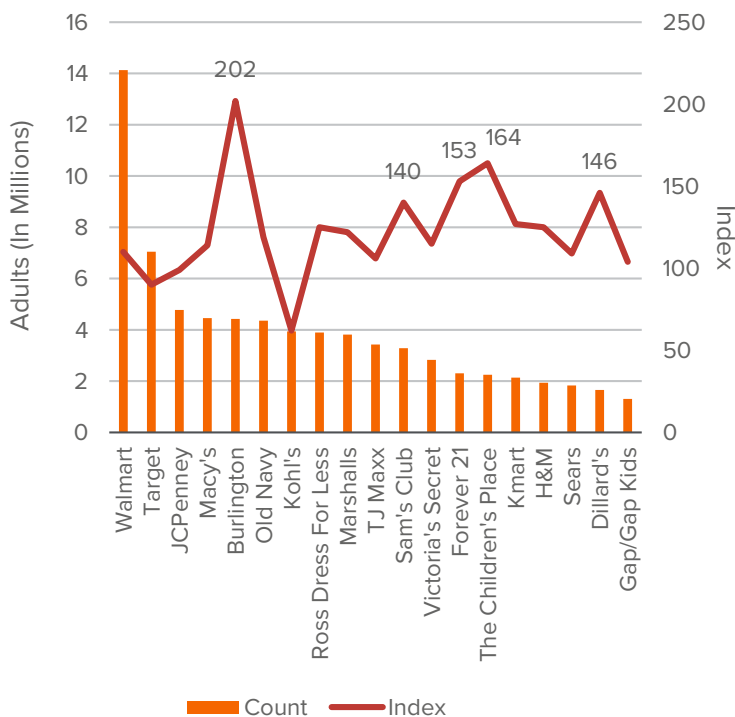
Black households on average spend approximately \$1,900 annually on apparel and related services – 6% less than the average U.S. household.

Even though Blacks spend less on apparel and services on average, there are some subcategories where they spend more than the average U.S. household. For example, Black households on average spend \$164 annually on men's footwear, which is 4% above the national average. They also spend 6% more on boy's footwear and 6% more on boy's coats and jackets.

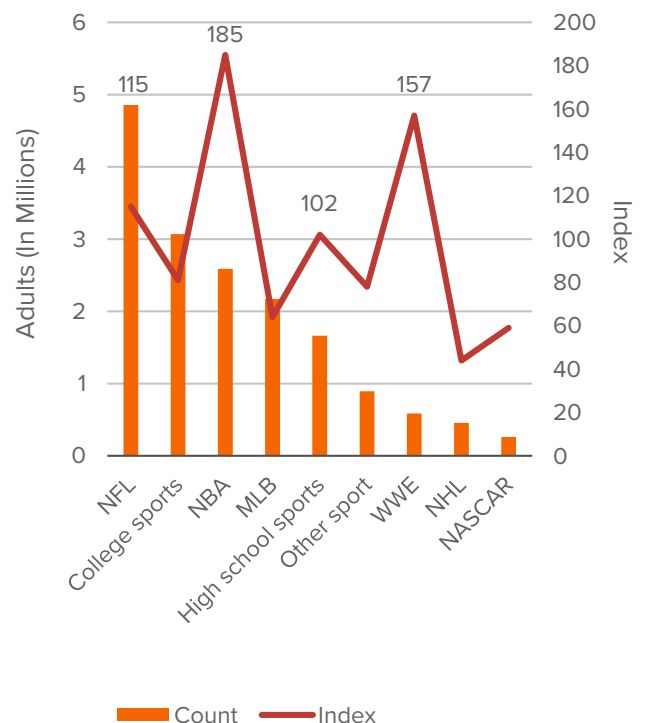
The top clothing store for which Black household spending over-indexed for apparel purchases made in the past 3 months was Burlington. Additionally, NBA sports apparel with team logos was the most popular category by index over the past 12 months. NFL sport apparel with team logos was also very popular among Black consumers.



Clothing Stores Where Blacks Bought in the Past 3 Months



Sports Apparel With Team Logos Bought by Blacks in the Past 12 Months



Sources: Nielsen Scarborough 2018, Claritas 2019

Black Consumer Spending: Food At Home

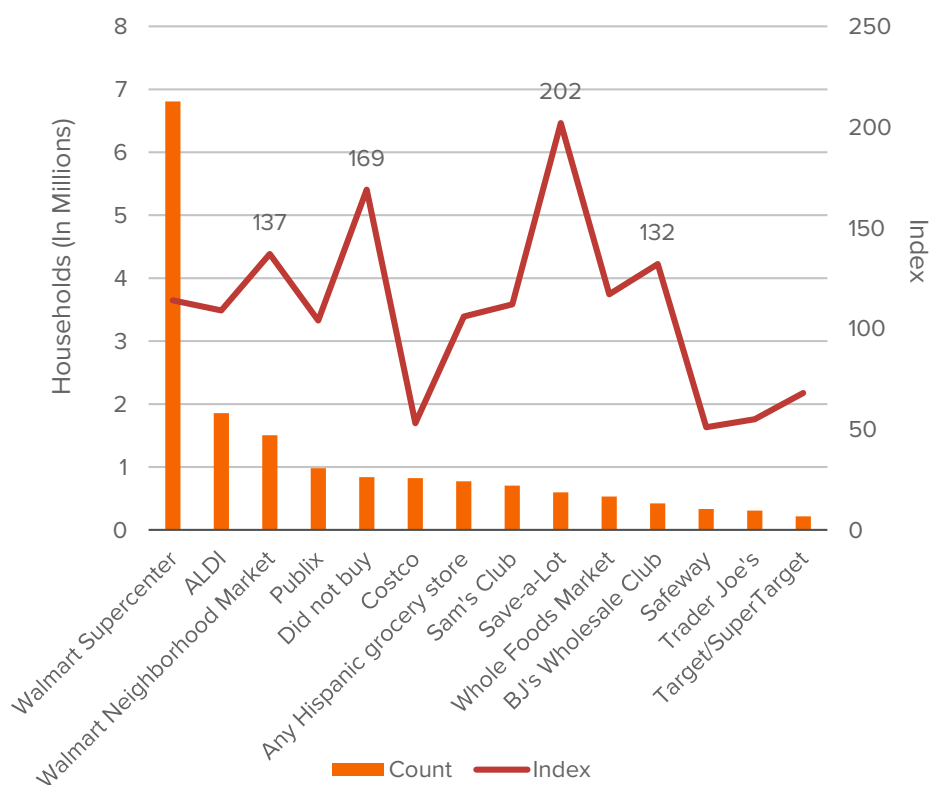
Black households on average spend around \$3,553 annually on Food at Home – 14% less than the average U.S. household.

Even though Blacks spend less on Food at Home on average, there are some subcategories where they are equal or spend more than the average U.S. household. For example, Black households on average spend 4% more on pork chops, 2% more on fresh fruit juice and equal the national average on poultry, fresh and frozen chicken and fine sugar.

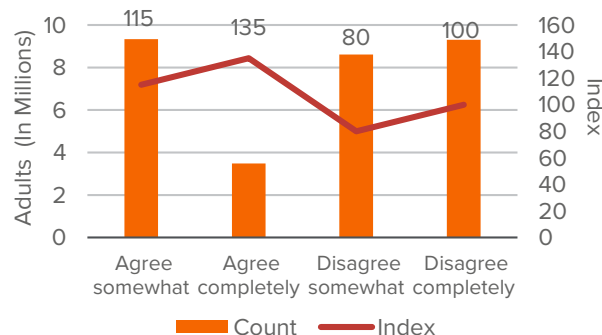
The top store for which Black households bought most of their groceries was Walmart. Blacks also over-indexed for "agreeing that they do not allow junk food in their homes" and that they "rarely eat frozen dinners" at home.



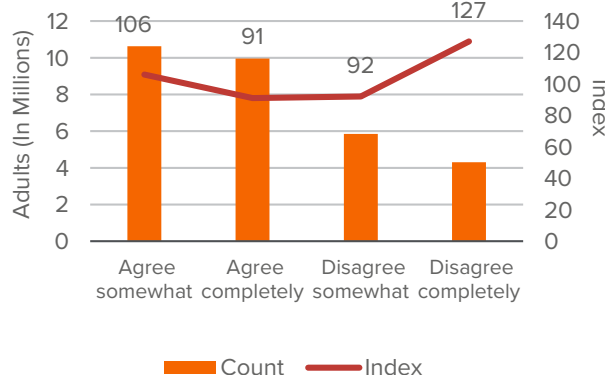
Stores Where Blacks Bought Most of Their Groceries



I Don't Allow Junk Food in my Home



I Rarely Eat Frozen Dinners at Home



Sources: Nielsen Scarborough 2018, Claritas 2019

Black Consumer Spending: Food Away From Home

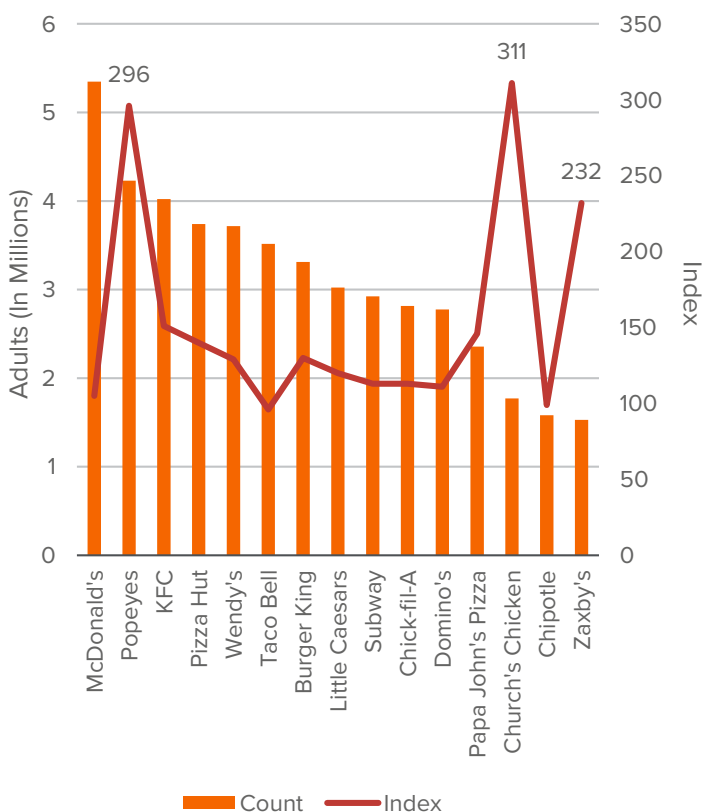
Black households on average spend around \$2,722 annually on food & non-alcoholic beverages away from home.

Even though Blacks spend less on food & non-alcoholic beverages on average, there are some subcategories where they are close to the national average spend. For example, Black households on average spend only 8% less annually on breakfast away from home.

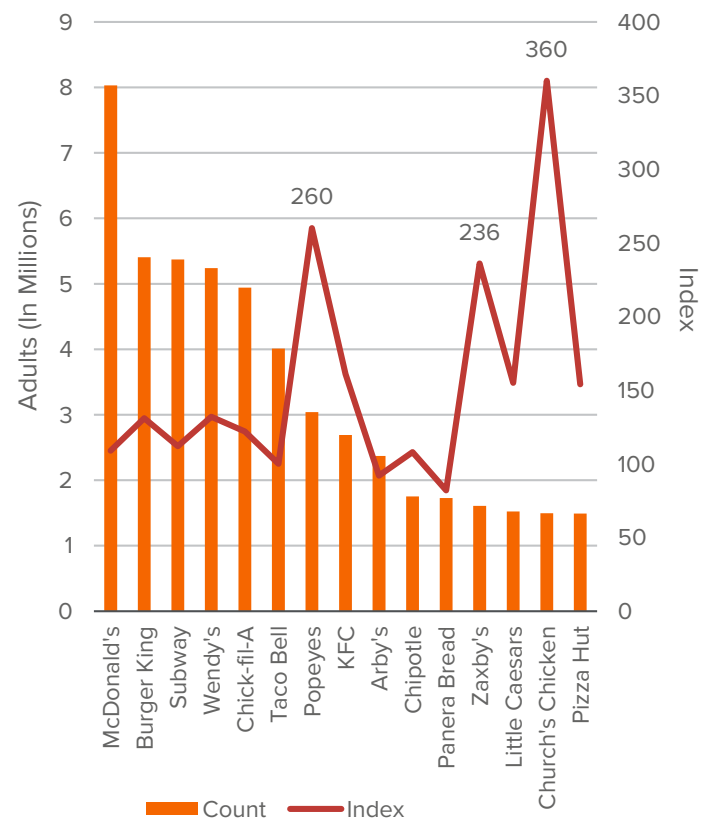
Blacks also are more likely to "use a quick service restaurant 10 times or more in the past 30 days" and when considering lunch & dinner, the top QSR's by index for Blacks were Church's Chicken, Popeyes and Zaxby's. However by count, McDonald's ranks at the top for lunch and dinner purchases in the past 30 days and sandwich QSR chains are the predominant choice among Blacks for lunch.



QSR's Used by Blacks
For Dinner in Past 30 Days



QSR's Used by Blacks
For Lunch in Past 30 Days



Sources: Nielsen Scarborough 2018, Claritas 2019

Black Consumer Spending: Entertainment

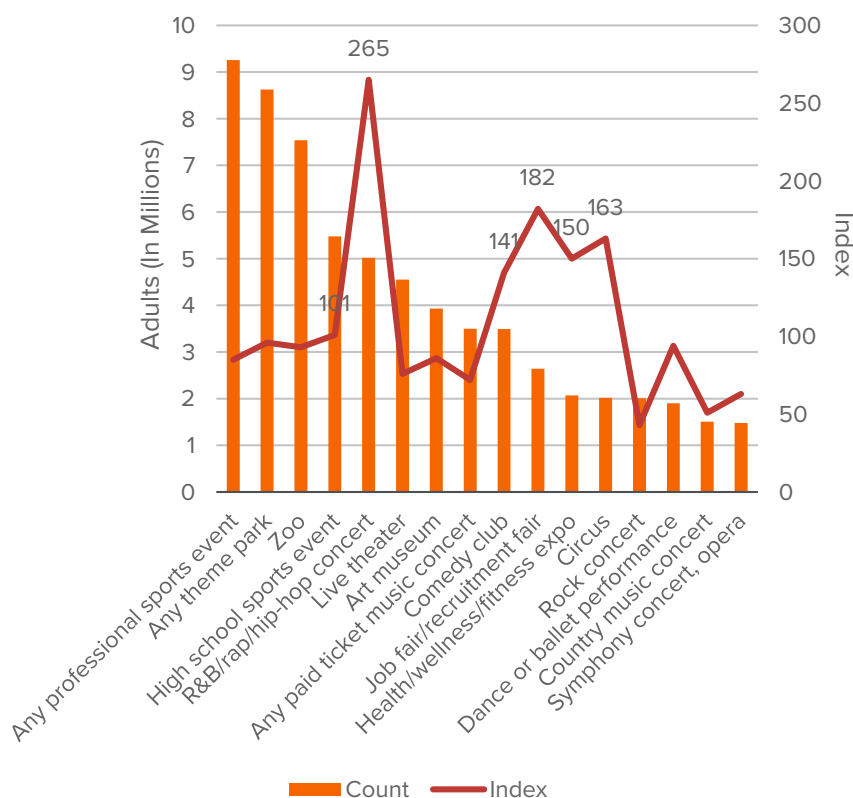
Black households on average spend more than \$2,000 annually on entertainment.

Even though Blacks spend less on entertainment on average, there are some subcategories where they spend at or above the average U.S. household. For example, Black households on average spend equal to the average annual spend on Cable, Communication, and Satellite Services and Dishes. They also spend equal to the average annual spend on Online Entertainment and Games.

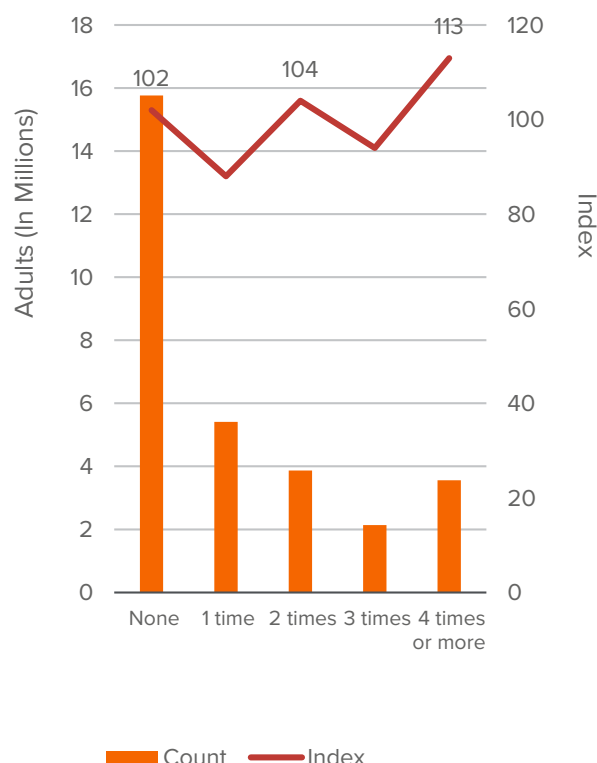
Also, by count, the average Black household prefers to attend professional sporting events, and they over-index for attending R&B/Rap/Hip-Hop concerts, Job Fairs and Health/Fitness Expos. When looking at the number of times Blacks attended the movie theater in the past 3 months, they indexed highest at 113 for attending a movie theater 4 times or more in the past 3 months.



Events Attended/Places Visited by Blacks



No. of Times Blacks Attended Movie Theater in the Past 3 Months



Sources: Nielsen Scarborough 2018, Claritas 2019

About Claritas

Claritas helps companies **identify** customers. Not just any customers—their best customers. We help engage and **deliver** those customers when and where they want to be engaged. And finally, we help clients **optimize** those engagements with remarkable transparency and precision in near-real-time.

Our tools and data define who your best customers are, how they behave, and how to connect with them. With powerful original research, trusted data partnerships, and an expert Analytics team, we provide the why behind the buy that is the key to selling smarter and winning bigger.

Targeting the New American Mainstream

To capture multicultural growth opportunities, you must first understand them: their likes, dislikes, preferences, behaviors, etc. These insights let you create personas, tailor messages and promotions specific to their wants and needs. Marketers leverage Claritas' deep understanding of multicultural segments, using tools, such as CultureCodes across local, national and digital markets for smarter targeting, smarter planning and smarter buying to help drive bigger profits.

Multicultural Insights to Shape a Smarter Plan

Data from Claritas can be applied to a wide variety of situations and challenges using computerized applications, such as Claritas' online Geoscape Intelligence System (GIS). Some of the applications are listed below.

- Strategic Planning
- Market Potential Assessment
- Product Development & Positioning
- Database mining & modeling
- Retail Site Selection & Distribution
- Marketing Communications & Media Planning
- Promotions & Direct Response
- Market Research: Surveys, Focus Groups, etc.
- Industry specific intelligence applications
- Sales potential and forecasting
- Consumer segmentation and targeting
- Customer relationship management
- Investment Valuation
- Public & Social Services
- Budget Allocation
- Staffing
- In-store experience management
- Retail shelf-space planning

To learn more about how to find your next multicultural consumer, visit www.claritas.com or call 800.234.5973.