

Black Consumers' Share of Wallet - US - January 2013

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"Black median household income decreased by slightly more than \$2,000 from 2008-11. Yet, prices for everyday essentials such as food, transportation, and utilities continue to rise. This means that Black household budgets are being shifted from discretionary categories to cover more essential household expenses."

– Leylha Ahuile, Senior Multicultural Analyst

In this report we answer the key questions:

- How is the economy affecting the choices Black consumers make in the marketplace?
- What household expenses are taking a greater share of Black households' budget?
- Compared to 2010, how has spending and saving changed for Black consumers?

According to the U.S. Census Bureau, the Black population is expected to reach 43.8 million by 2018, a 12% increase from 2008. Currently at \$1 trillion, Black spending power is expected to climb to \$1.3 trillion by 2017, representing a 313% gain from 1990. Higher education levels, and the resulting higher paying jobs, are the primary drivers behind this increasing purchasing power. However, the recession and subsequent down economy have been particularly hard on Black consumers, who have suffered high unemployment levels and high rates of foreclosure. Mintel's last issuing of this report in 2010 reflected these economic hardships with a high percentage of Black respondents—regardless of household income—reporting that they were spending less in most categories. More than two years later, Black consumers are still dealing with the effects of the economy and working to stretch budgets to meet their household expenses. Higher prices for everyday goods like groceries are causing many households to cut back on spending in other areas such as entertainment and apparel. Corporations and brands will want to focus their marketing messages on value so Black consumers, like all consumers, can feel better about their purchasing decisions.

This report builds on Mintel's *Share of Wallet: Blacks—U.S., February 2010* and *Black Americans' Shopping and Spending Patterns—U.S., March 2008*. In addition, the report refers to: *Blacks and Financial Services—U.S., March 2010*; *Blacks and Entertainment—U.S. July 2012*; *Apparel and Footwear: The Black Consumer—U.S.; August 2010*; *Blacks and Personal Care—U.S., March 2011*; *Black Haircare—U.S., August 2012*; *Marketing to Multicultural Young Adults—U.S., May 2012*; *The Grocery Cart of the Black Consumer—U.S., September 2010*; *Blacks and Dining Out—U.S., July 2010*; *Spirits: The Consumer—U.S., September 2011*; *Used Cars and Light Trucks—U.S., June 2011*; and *Media Consumption by the Black Consumer—U.S., July 2011*.

This report examines the spending and saving habits of Black adults, and offers a direct comparison to Mintel's 2010 report on Black consumers' share of wallet. Black household income and purchasing power trends will be examined, in addition to trends in household expenses and spending. Expenditures to personal insurance and pensions, healthcare, education, housing, food and beverage, transportation, entertainment, apparel, and personal care will also be explored to provide insights for targeting this valuable consumer segment.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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What household expenses are taking a greater share of Black households' budget?
Compared to 2010, how has spending and saving changed for Black consumers?

Trend Applications

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