

# TAMPA BAY'S “BLACK MARKET”



A marketing guide to major trends for the region's African American community and the market opportunities they create

# Introduction

Simply put - black consumers are a bigger factor in the Tampa Bay marketplace than they were a decade ago. That's not only because of the population growth rates for African

Americans, which were even more dramatic in Tampa Bay than in other parts of America. It's also because of significant gains in education, income and business ownership by African Americans since the turn of the century.

Despite the Great Recession, which hit African Americans harder than whites (both here and nationwide), black consumers in Tampa Bay are growing in economic influence almost as rapidly as they're gaining in numbers.

The 2010 Census (and subsequent 2011 American

Community Survey) reveals several major trends – and at least a dozen micro trends – that make African Americans a wise marketing investment for marketers in dozens of categories of products, goods and services.

This report, published by the Power Broker Media Group, compares census data from 2000 and 2010, and culls from leading national research sources, in order to quantify African

Americans' consumer influence in Florida's Tampa Bay region. Data were compiled and analyzed for a five-county area (Hillsborough, Pinellas, Polk, Manatee & Sarasota), rather than the eight counties that comprise the region, largely because many Census data are not yet available for the other three (Citrus, Hernando and Pasco).

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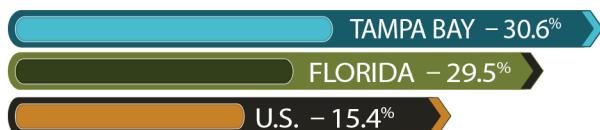
**Categories where African Americans Over-Index**



## Population Size & Growth

According to the 2010 Census, the bay area's black population is one of the fastest-growing in America, even surpassing the robust growth of blacks in the state as a whole. While the bay area's white population grew 9.4% over the decade across five counties, its black population grew three times as fast at 30.6%. The growth differential also made African Americans a larger share of the bay area population (now 12.6% of the whole, up from 11.1% in 2000).

### BLACK POPULATION GROWTH RATES (2000 TO 2010)



By the 2010 Census, African Americans numbered 434,000 in Hillsborough, Pinellas, Polk, Manatee & Sarasota—an increase of over 100,000 people since just one decade prior.

### Black Population by County in 2010 (Tampa Bay, Florida)

Black Population	Growth since 2000			
	Number	Pop Share	Number	Rate
Sarasota County	17,815	4.7%	4,194	30.8%
Manatee County	28,230	8.7%	6,619	30.6%
Polk County	88,833	14.7%	23,288	35.5%
Pinellas County	94,745	10.3%	12,189	14.8%
Hillsborough County	205,073	16.7%	55,650	37.2%
	<b>434,696</b>	<b>12.6%</b>	<b>101,940</b>	<b>30.6%</b>

**Targeting Sweet Spots:** Marketers targeting African Americans in Tampa Bay will find their sweet spots in three counties: Hillsborough, Pinellas and Polk (in that order), which together are home to 89% of all African Americans in the five counties studied. While Hillsborough and Pinellas saw the largest gains in African Americans as a share of their populations, Hillsborough and Polk had the highest growth rates and increase in numbers, and Hillsborough alone accounts for 47.2% of the regional total.

## Black Buying Power in Tampa Bay

On a national level, African Americans had aggregate household incomes of \$695.6 billion in 2010 and are expected to reach a collective buying power of \$1.1 trillion by 2015. It's particularly noteworthy that Tampa Bay accounts for nearly 1% of that national total, with aggregate household incomes of \$6.4 billion in 2010 – a gain of 53.7% since the 2000 Census, compared to 33.9% for whites.

As a share of the whole, black households earned 7.1% of income to all households in the region, up from 6.3% in 2000; and because black households pay a slightly lower amount in taxes, African Americans now account for an estimated 7.2% of consumer buying power (i.e., after-tax income) in the region.



## Categories where blacks weigh heavier in market share

Several important micro trends make African Americans *a disproportionately large share* of consumer spending in nearly a dozen categories. Though only 12.6% of the population, black consumers make up 20% (sometimes more) in some markets.

### Higher Education

**Black Share of Bay Area Consumers:** 20%

**Future Trend: (UP)**

For marketers of higher education (technical, college and graduate programs), African Americans are a larger share of your market than they were a decade ago. The number of black adults enrolled in the region's colleges, universities and tech schools doubled over the decade (a 100.4% growth rate, compared to 46.6% for whites), which grew their market share. Blacks were 17% of bay area residents enrolled in higher ed institutions in 2010, up from 13.7% in 2000. Yet because African Americans are more likely to enroll in *local* institutions (versus state and national), blacks are an estimated 20% of the people enrolled in bay area institutions. Plus, due to unique aging trends (a larger percentage of the black population is under 18), black students are on track to continue their increasing share of regional enrollment.

**Behind the Trend:** Some of the uptick is credited to the Recession (i.e., people opting to improve their educational credentials while the labor market recovers), but the trend is also catalyzed by steadily rising high school graduation rates for black students, extending a long-term trend of nearly uninterrupted increases over the past four decades. The larger bay area counties are trekking upward on graduation rates for blacks. Since 2008, Pinellas has increased the black male graduation rate by 25% and reduced drop-outs by 44%, while Hillsborough's grad rate is the highest among Florida's largest school districts, up 9.8% since 2006, with a 74.2% of black students graduating in 2011 (5.8% above the state average).



### Children's Apparel, Footwear & Other Products

**Black Share of Bay Area Consumers:**

19.8% of population under 18

**Future Trend: (UP)** Continued Growth

While African Americans as a whole are 12.6% of the bay area population, they are 19.8% of the population under age 18. If the same trends continue, black children will be one-quarter (25%) of this cohort by the year 2018. Marketers of goods and services for children and youth – such as apparel, footwear, sports equipment, phones, and electronics, along with services such as childcare, entertainment, and after-school programming - have a prime opportunity to grow by targeting black consumers.



### Rental Housing & Related Services

**Black Share of Bay Area Consumers:** 21.2%

#### **Future Trend: (UNDETERMINED)**

African Americans make-up 21.2% of renter-occupied housing units in Tampa Bay, and comprise an even larger share – 24% - of apartment rentals each year. During the 2010 Census, 21% of the bay area's black population was in a different house than the year prior versus 15% of the white population, making African Americans an outsized share of the market for apartments, studios, duplexes and condos for rent, as well as storage units and moving services.



### "New Home" Furnishing, Décor, Electronics & Data Services

**Black Share of Bay Area Consumers:** 25.4% of new households formed

#### **Future Trend: (UNDETERMINED)**

African Americans account for over one-quarter of the total increase in bay area households over the past decade, adding 34,400 new households since the 2000 Census, and bringing their total to nearly 150,000. For perspective, the growth rate in the number of black households was 3.7 times the rate for white households (30.3% versus 8.1%). The high rates of household formation are a plus for marketers of home furnishings, décor, electronics, and other products, as well as services like phone and data services.

**Added Dimension:** Non-family households (e.g., singles and roommates) are a growing share of black households in Tampa Bay, comprising 36.7% in 2010 versus 30.8% in the 2000 - an added plus for marketers of home product brands that cater to this segment, such as IKEA and Best Buy.



### Home Buying & Related Services

**Black Share of Bay Area Consumers:** Proxy - 29.5% of new owner-occupied units

#### **Future Trend: (UP) Continued growth**

Using owner-occupied housing units as an indicator of home buying trends, African Americans accounted for 29.5% of the bay area increase in the number of owner-occupied houses in 2010 versus 2000.

Despite the reality that black homeowners suffered higher rates of foreclosure during the Recession, the decade saw an increase of 7,800 owner-occupied units for blacks in Hillsborough, Pinellas and Polk (an in-group increase of 16.1%) compared to 10,920 for whites in the same 3-county area (an in-group increase of 1.8%). Looking to the future, a larger share of blacks falls within peak home-buying age ranges, compared with whites, and incomes are rising faster for black households—both trends that bode well for realtors, developers, landscapers, contractors and other products and services for the home.



### Business Products & Services

**Black Share of Bay Area Consumers:** 13.2% of new businesses in the region

#### **Future Trend: (UNDETERMINED)**

Although African Americans continue to enter entrepreneurship at a lower rate than whites, the latest Census data, released in 2011, show that from 2002 to 2007 the number of black-owned businesses grew by 61% nationwide and 103% in Tampa Bay, both outstripping the national 18% growth for whites. African Americans accounted for 13.2% of the new businesses formed over the five year period, and increased to a share of 6.1% of all bay area businesses in 2007, up from 3.9% in 2002, reflecting an undeniable trend toward entrepreneurship versus traditional employment. Even if that average annual growth rate fell by two-thirds during the Recessionary years, the number of black-owned firms in Tampa Bay will approach 20,000 in 2013. Also good news, the earnings of black-owned businesses

### Black-owned firms in the Tampa Bay MSA

Estimated 2013: **19,485**

2007: **16,200**

2002: **7,959**

**The Opportunity:** Marketers have the opportunity to cultivate black-owned businesses as a growth segment for services such as legal, accounting, payroll and benefits such as insurance, as well as office furniture, equipment, technology and supplies, and phone and data services, along with membership in business associations. Bay area Chambers and other business groups continue to report low rates of membership by African Americans, but those that opt to do targeted marketing have a substantial untapped market for members.



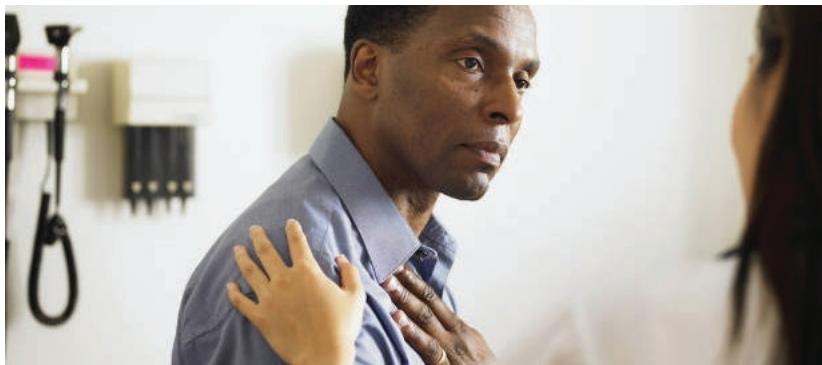
### Automotive: Vehicles, Care, Insurance & Other

**Black Share of Bay Area Consumers:** Est. 17.4% of added vehicles to Tampa Bay households  
**Future Trend:** (UP), Strong chance for accelerated growth

This sector hard hit by the Recession, with new vehicle sales and leases falling 42% nationwide from 1999 to 2009. Yet African Americans' population growth has caused them to account for a larger share of cars on the road in Tampa Bay. Using the U.S. Consumer Expenditure Survey as our guide, though the number of vehicles per household hasn't changed for blacks versus whites (an average 1.3 and 2.0 respectively in 2010 and 2000), the number owned by African Americans increased by an estimated 30.3% versus 8.1% for whites. From 2000 to 2010, blacks accounted for an estimated 17.4% of the increase in vehicles for bay area households, edging them up to 6.2% of consumer spending on vehicle purchases, from 5.7% in 2000.

Separately, African Americans spend a larger share of their incomes (8.6% versus 7.2% for whites) on other vehicle-related expenses (e.g., gas, motor oil, insurance and care), which makes them a modestly larger share in other auto categories than they are for vehicle purchases (8.4%).

Looking to the future, blacks' automotive spending will depend on patterns of employment as the region continues its recovery. Pre-Recession data suggest that blacks could become a larger share of spending in the years to come. The 2000 Consumer Expenditure Survey shows that African Americans spent a significantly larger share of their income on vehicles & related expenses (15.3% versus 12.2% for whites).



## Targeting the Poor

**Black Share of Bay Area Consumers:** 25.1% of people below the poverty line \* 17.9% of households with incomes less than \$25,000

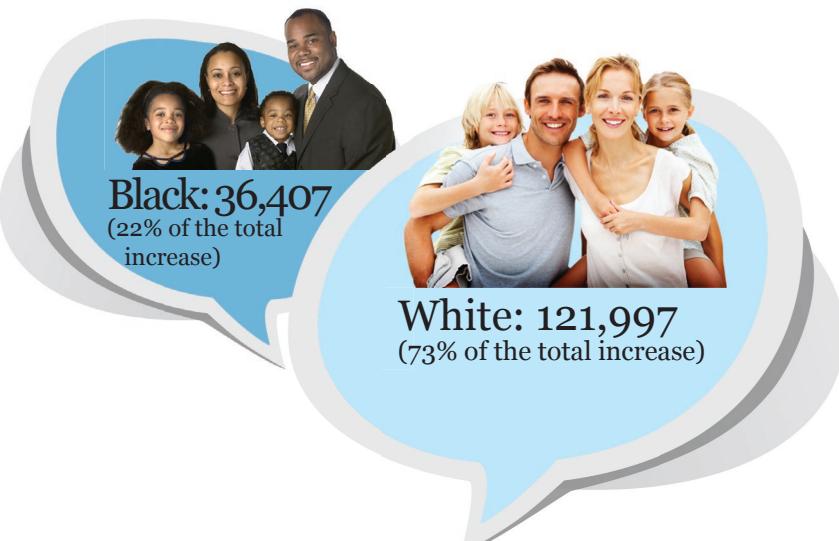
**Future Trend: (MIXED)** Long term (and even during the 2010 Census), a shrinking percentage of blacks are poor, and blacks are a shrinking share of the poor overall; yet the number of black poor rose over the past decade; recovery from the recession will determine future trends

Though this segment is becoming a smaller share of the black community, and African Americans are becoming a smaller share of the poor, African American households were still one-quarter of the bay area's poor during the 2010 Census, while whites were 64.9%. Blacks were also 17.9% of bay area households with incomes less than \$25,000 in 2010 (that's a bit higher than the weighted average federal poverty threshold for a family of 4: \$23,021).

### Black & White Shares of Poverty

2000 CENSUS	BLACKS 27.2% & WHITES 60.2%
2010 CENSUS	BLACKS 25.1% & WHITES 64.0%

### Increase in People under the Poverty Line Since (from 2000 to 2010)



**The Opportunity:** Several marketers thrive among lower income consumers. These include financial services companies such as Amscot, furniture & computer rental retailers, fast food restaurants, droves of specialty hair products, and apparel & footwear retailers, among others. Categories that prosper among the poor have seen their market grow over the past decade. The number of poor people increased significantly (by 167,700); blacks accounted for 22% of that growth, while for 73%.

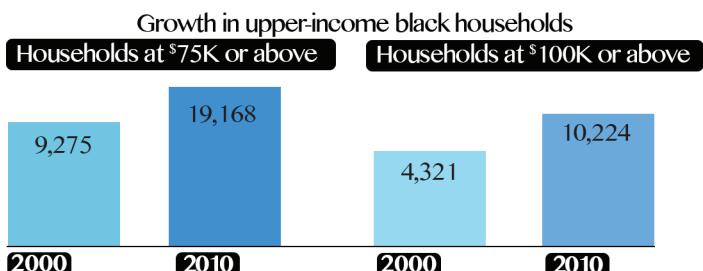
For better or worse, non-profits that serve the poor have witnessed substantial growth in their “market,” and many are using marketing to reach and serve more people. Services that could continue to reduce poverty – for blacks & whites – include free tax preparation and savings programs that reduce the poor’s reliance on payday loans and rapid refund fees; subsidized childcare and afterschool programs; free & low cost enrichment programs; training; family resources; life coaching, mentoring and remediation services for adults, especially high-risk populations such as ex-offenders and low-income single mothers.

## Targeting the Affluent

The number of black households earning \$100,000+ per year more than doubled over the decade to 10,225 for an increase of 136.6%, while the number earning \$75,000+ grew by 106.7% to over 19,100. Though still a small segment compared to white households in these brackets, there is good reason for marketers to consider targeted campaigns:

- Black households earning over \$100,000 shop more and spend more than non-black households, with total basket rings per shopper of \$8,902 compared to \$8,710 for non-blacks
- Black households in the bay area had stronger income gains than blacks nationwide in some brackets (e.g., 107% growth in households earning \$75,000 for Tampa Bay versus 64% growth nationwide)
- The factors that drive income growth – such as education levels attainment and business ownership – continue their sustained long-term improvements for African Americans, which should make them a growing share of the affluent in the decades to come
- Target marketing to affluent African Americans can be more cost effective than to the general market, simply due to the relatively compact universe of media consumed by them in Tampa Bay

## Black consumer Unit Expenditures as a percentage of non-black expenditures, 2010



## Income Gains for African Americans

Income Range	Households	% of Comp	Growth in # since 2000
Less than \$10,000	17153	12.9%	-9.3%
\$10,000 to \$14,999	10478	7.9%	12.6%
\$15,000 to \$24,999	21307	16.0%	11.6%
\$25,000 to \$34,999	19852	14.9%	25.4%
\$35,000 to \$49,999	24173	18.1%	56.6%
\$50,000 to \$74,999	21303	16.0%	50.3%
\$75,000 to \$99,999	9949	7.5%	86.4%
\$100,000 to \$140,000	6666	5.0%	157.2%
\$150,000 to \$199,000	1413	1.1%	186.0%
\$200,000 or more	1140	0.9%	33.8%

In the space of 10 years, bay area black households saw a full upward income shift, as the share of black households in the low-income bracket fell, while the shares in middle and upper income brackets increased, representing a full upward income shift for African Americans in the region.

# Growth of the black middle class is strong in Tampa Bay

The number of black households earning \$35,000 to \$100,000 topped 61,000 in 2010, a 55.8% growth rate over the decade. Black households are also a growing share of the bay area's middle class overall. According to 2010 Census data, African American are now 9.4% of the region's middle-income earning households, up from 6.9% during the 2000 Census. Plus, the in-group share of African Americans in the middle class grew to 41.2%, up from 34.4% the decade before.

Marketers in categories where African Americans "over-index" (i.e., spend more than their proportionate share) have a prime opportunity to grow sales in the Tampa Bay region. Two definitive studies of African American buying habits (by The Nielsen Company and Advertising Age) identify two dozen categories where blacks are already an outsized segment of the market or where there is the potential for growth.

## Categories where African Americans Over-Index

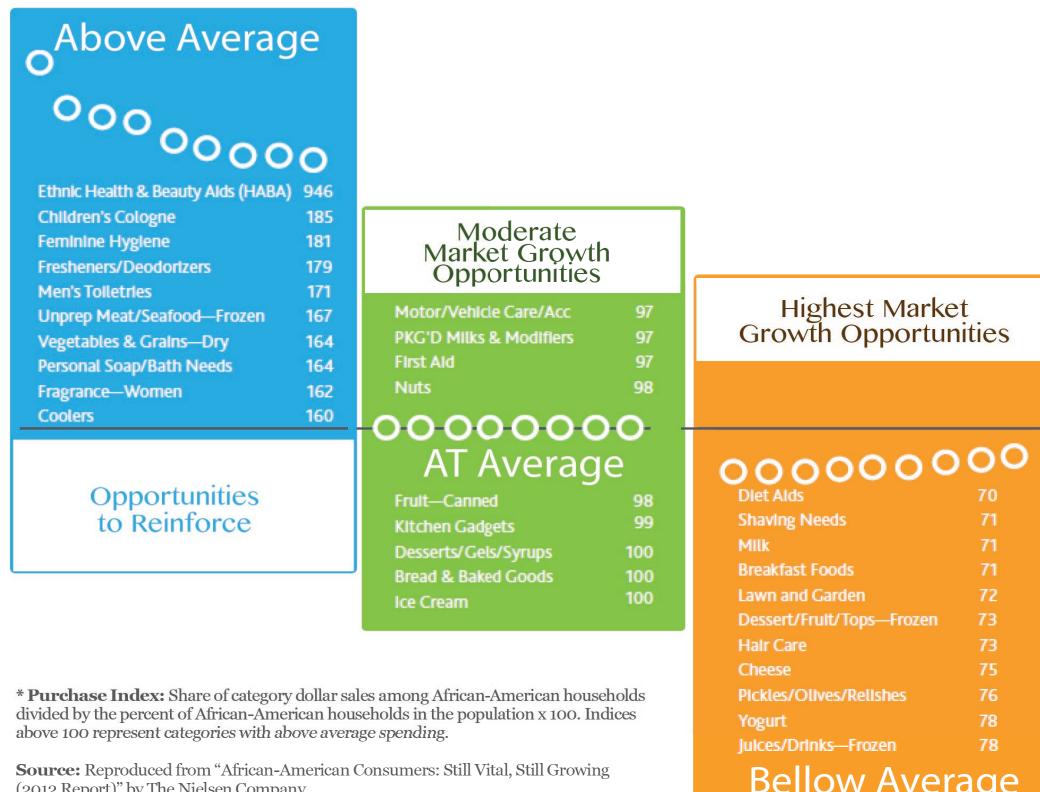
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## Black consumer unit expenditures as a percentage of non-black expenditures, 2010

CATEGORY	% OF NON-BLACK SPENDING
Phone Services (landline and cellular)	104
Auto Insurance	93
Personal Care Products and Services	89
Housing	83
Food at Home	83
Apparel	82
Children's (age 2-15) Apparel	99
Footwear	107
Charitable Contributions	80

Source: Bureau of Labor Statistics, Consumer Expeniture Survey, 2010

## AFRICAN-AMERICAN PURCHASED TOTAL CATEGORIES



\* Purchase Index: Share of category dollar sales among African-American households divided by the percent of African-American households in the population x 100. Indices above 100 represent categories with above average spending.

Source: Reproduced from "African-American Consumers: Still Vital, Still Growing (2012 Report)" by The Nielsen Company



## Growth in Tampa Bay's "Black Market" (from 2000 to 2010)

**136.6%** growth in number of households earning \$100,000+ per year  
**106.7%** growth in number of households earning \$75,000+ per year  
**103.0%** growth in number of black-owned businesses in Tampa Bay\*  
**100.4%** growth in number of adults enrolled in higher education  
**61.3%** growth in number of high school graduates age 25+  
**55.8%** growth in number of households earning \$35,000 to \$100,000 per year  
**53.7%** growth in aggregate household income  
**33.5%** growth in working age population  
**30.6%** growth in total population  
**30.3%** growth in number of vehicles owned  
**30.3%** growth in number of households  
**24.6%** growth in median household income  
**21.0%** growth in family households

## Changes in Blacks as a Share of the Market African Americans are/represent....

**12.6%** of the bay area population (+ 1.5 percentage points)  
**22.4%** of new population growth over the decade  
**6.1%** of bay area business owners (+ 2.2 percentage points)  
**13.2%** of new bay area businesses formed over the decade  
**7.9%** of owner-occupied homes (+.8 percentage points)  
**29.5%** of new owner-occupied units over the decade  
**10.9%** of bay area households (+1.6 percentage points)  
**25.4%** of new households formed  
**20.0%** of students enrolled in bay area colleges, universities & tech schools (+3.3 percentage points)  
**29.7%** of new students enrolled over the decade  
**9.4%** of middle-income earning households from \$35,000 to \$100,000 per year (+2.5 percentage points)  
**26.2%** of new middle-income earning households  
**19.8%** of population under 18

## Blacks Set to be a Growing Share of the Bay Area Market:

Census data suggest that African Americans will continue to gain in influence in the bay area marketplace. Their share of the market grew over the recent Census decade (from 2000 to 2010); but even more promising for African Americans, they were an outsized share of growth in key areas. For example, though only 9.4% of the bay area's middle class in 2010, blacks were 26.2% of the increased number of middle-income earning households. African Americans were also an outsized share of growth in the bay area population, new businesses formed, new households formed, and new owner-occupied housing units.