



YOUNG, CONNECTED AND BLACK

**AFRICAN-AMERICAN MILLENNIALS ARE
DRIVING SOCIAL CHANGE AND
LEADING DIGITAL ADVANCEMENT**

2016 REPORT



nielsen
.....

AN UNCOMMON SENSE
OF THE CONSUMER™

FOREWORD

“Young, Connected and Black” continues a dialogue started in the 2015 Diverse Intelligence Series report—“Increasingly Affluent, Educated and Diverse, African-American Consumers: The Untold Story.” This latest report highlights African-Americans’ economic and cultural gains and continues to shine a spotlight on how African-American Millennials are forging ahead in their use of technology and social media to raise awareness and evoke a national discussion on civic and political issues. African-American Millennials are expanding the use of mobile devices (particularly smartphones with a 91% penetration rate for all African-Americans), expanding their shopping carts with fresh foods and contributing to the diversification of mainstream primetime television viewership—forging a significant increase in advertising dollars focused on African-American audiences.

African-Americans are also making impressive gains in high school and college achievement. Fully 89% of African-American Millennials ages 25–34 completed high school, compared to 77% of those who are ages 55 and older, and 21% of Black Millennials ages 25–34 have an associate's degree or higher versus 17% of those 55 and older.

A rise in educational advancement leads to increased buying power. In 2015, African-Americans controlled almost \$1.2 trillion in buying power, 8.6% of the nation’s total—a 21% increase over 2010, according to the Selig Center for Economic Growth. African-American household income growth remains steady. The share of African-American households with an income under \$25,000 declined from 43% in 2004 to 37% in 2014, while the share of households with annual incomes over \$100,000 increased from 7% in 2004 to 12% in 2014.

African-Americans are optimistic about America’s future, and they are catalysts of change. As African-Americans, particularly younger Millennials, continue to develop and expand their influence on mainstream America, companies are making changes to reach this culture-rich group with unique, captivating campaigns, as well as products and services that meet their needs.

Since 2011, Nielsen has provided a comprehensive annual report focused on African-Americans’ unique media consumption and purchasing habits along with relevant community topics that change year to year. This report is a collaboration with Nielsen’s External African-American Advisory Council and its sub-committee members: Eugene Campbell (co-chair), Reverend Jacques DeGraff, Adonis Hoffman (co-chair) and Deborah Gray-Young. We are grateful for their support and involvement throughout.



Cheryl Grace
Senior Vice President
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Saul Rosenberg
Chief Content Officer

EXECUTIVE SUMMARY

African-Americans are exuberant and reflective—optimistic about present-day advances in income, education, entrepreneurship and healthcare, and determined to forge a better future as influential leaders and catalysts of social awareness against discrimination and social injustice. With incomes steadily rising at a rate that outpaces that of the general population, African-Americans' buying power is expected to grow 21.6% between now and 2020, by which time it will reach just over \$1.4 trillion, according to the Selig Center for Economic Growth.

Led by tech-savvy Millennials, who regard and use technology and social media as extensions of their identity, African-Americans are adept at using and leveraging digital platforms to communicate with each other and the world around them.

African-American consumers are focused on eating well and looking good, over-indexing across a wide variety of product categories, ranging from beauty products to fresh foods and ingredients that reflect their proud heritage and cultural traditions. Given the combination of African-Americans' penchant for fresh foods and a need for meals on-the-go, there is a clear opportunity for innovation and new-product development in the convenient-healthy eating space.

Black advancement is a multi-generational affair, powered by a civil rights legacy that guides and inspires older African-Americans even as younger Blacks solidify and expand their role as cultural influencers in a pan-cultural American mainstream.

Capital gains. African-Americans have shown strong income growth over the last decade. The percentage of Black households with annual incomes over \$100,000 increased from 7% in 2004 to 12% in 2014, and the percentage increase in the number of African-American households making \$50,000 or more per year has been greater for African-Americans than it has for the nation as a whole, with the number of Black households with incomes between \$50,000 and \$75,000 increasing 18% between 2004 and 2014, compared to 2% for the total U.S. The share of those households with an income under \$25,000 declined from 43% in 2004 to 37% of the total African-American population in 2014.

Viral empowered persuaders. Technology and social media is transforming and elevating the way in which African-Americans use their mobile devices. African-Americans are the second-largest multicultural group with regard to smartphone ownership, with 91% of Blacks owning smartphones (compared to 94% of Asian-Americans, and 90% of Hispanics).* The use of social media for community-based activism brought national awareness to issues affecting the Black community, and African-Americans, especially Millennials, are leading the charge to bring about institutional change. The #BlackLivesMatter, #BankBlack, and #OscarsSoWhite social media movements, all of which sparked national conversations, are just three viral examples of how savvy applications of social media and technology are increasingly able to focus national attention on issues of social, civic and political importance.

Valuing the beauty within. Personal image is highly valued and is regarded with an immense sense of pride in the African-American community. African-American Millennials have higher buying rates (per household) for hair care products and personal soap and bath products than their Millennial counterparts. African-Americans 35 and older also over-indexed (per household) against their counterparts for purchasing these items, as well as men's toiletries.

Cooking with tradition and a need for speed. African-American shopping norms show that these households over-index for cooking from scratch and using fresh foods, and the majority agree they usually plan meals ahead of time, cook meals frequently, and prefer cooking with fresh foods. African-American households also are filling their pantries with the spices and ingredients of regional dishes that reflect their roots, over-indexing on a variety of pork and poultry cuts, seafood, greens, cabbage, green beans, and dried vegetables and grains. But busy lives and a need for convenience and speed show that there is a clear opportunity for innovation and new product development in the convenient-healthy eating space.

Optimism about the future. In 2012, for the first time in American history, African-Americans had the highest rate of voter registration and turnout of all races, surpassing non-Hispanic Whites in election turnout at 66% versus 64%. And while the majority of African-Americans are optimistic that the country is headed in the right direction, there is an ongoing need in their communities for more affordable housing, healthcare, childcare and higher education.

*Source: Nielsen Mobile Insights, April 11, 2016–June 30, 2016. Mobile device penetration among mobile subscribers 13+.
Note: For the purposes of this report, African-American and Black are used interchangeably.

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SECTION I

AFRICAN-AMERICAN DEMOGRAPHIC GAINS

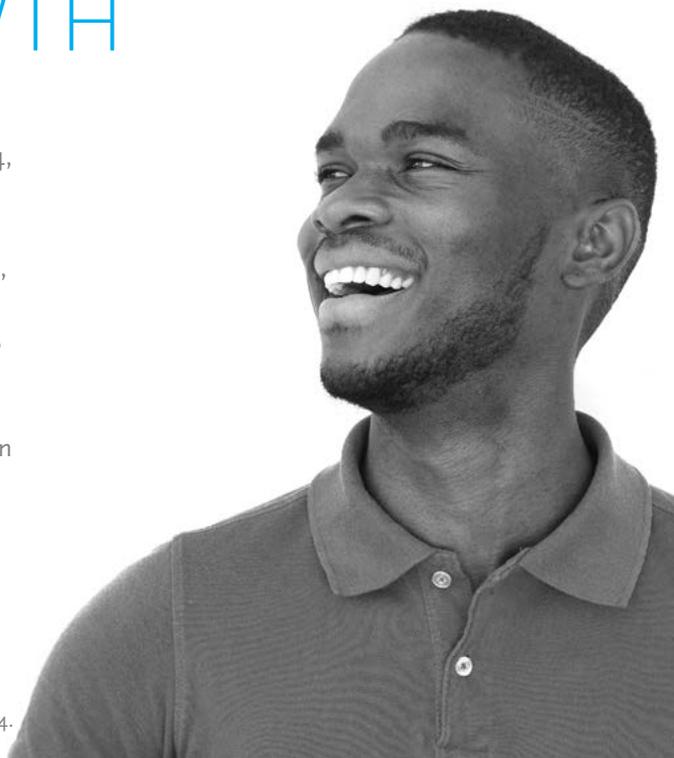
POPULATION GROWTH

African-Americans continue to represent a significant percentage of growth in the U.S. population. Having grown 21% between 2004 and 2014, the U.S. Black population is currently at 46.3 million* (14% of the total U.S. population), according to the most recent U.S. Census information. Ninety-one percent of U.S. African-Americans were native-born as of 2014, but the foreign-born population, primarily from Jamaica, Haiti, and other African and Caribbean countries is growing rapidly, having increased 40% between 2004 and 2014.

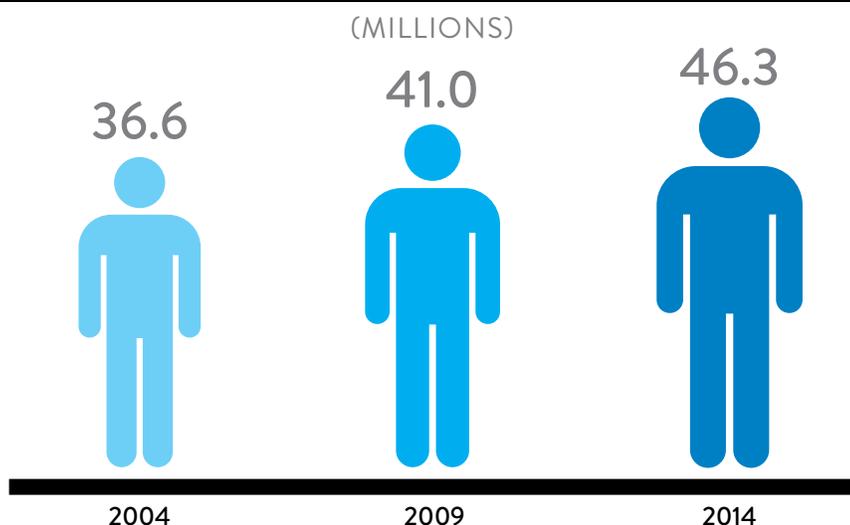
The U.S. is increasingly diverse and younger, which has largely been driven by Millennials, those born between 1982 and 2000, according to the U.S. Census. There are 83.1 million Millennials currently in the U.S. and of which African-American Millennials comprise 14% (about 11.5 million).** African-American Millennials comprise 25% (about 11.4 million) of the total Black population.

* Source: U.S. Census 2014 ACS 1-year PUMS Data tabulated by EthniFacts.

**Note: In this report, unless otherwise noted, Millennials are between the ages of 18 and 34.



U.S. AFRICAN-AMERICAN POPULATION



Source: U.S. Census Bureau, 2004, 2009, and 2014 American Community Survey; Black race plus Black race in combination with any other race.

AFRICAN-AMERICAN
MILLENNIALS COMPRISE

14%

OF THE TOTAL U.S.

MILLENNIAL
POPULATION



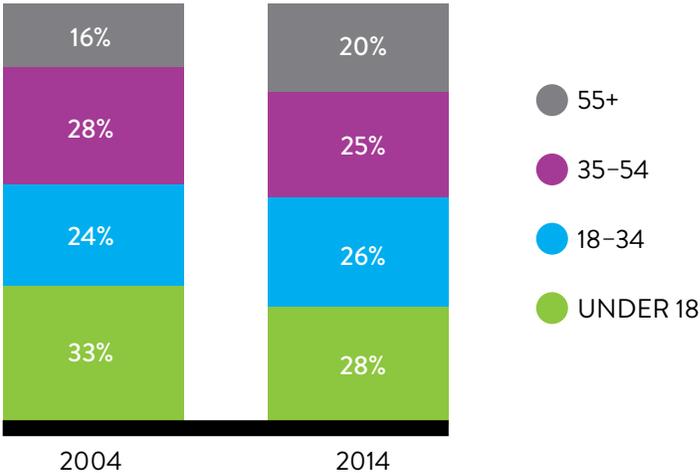
A GENERATIONAL SHIFT

Although African-Americans are a relatively young population, with a median age of 33.4 versus 40.4 for Whites and 36.5 for Asians, the African-American population is aging, even as the U.S. is getting younger. While the number of African-Americans under 18 increased by 5% between 2004 and 2014, minors represented 33% of the total Black population in 2004, but only 28% in 2014. Meanwhile, the number of African-Americans ages 18–34 and 35–54 grew in number by 33% and 10%, respectively, but maintained relatively steady shares of the total Black population. The 55 and older age group grew by 55%, increasing from 16% of the total African-American population to 20% during the same time period.

As the African-American population ages, distinct differences can be seen among the generations, from shopping behaviors to media usage and voting participation, which will be discussed throughout the report.



AGING AFRICAN-AMERICAN POPULATION



Source: U.S. Census Bureau, 2004, and 2014 American Community Survey; Black race plus Black race in combination with any other race. Percentages may not add to 100% due to rounding.

EDUCATIONAL ADVANCEMENT

Educational progress continues when it comes to high school and college achievement, with African-American women making the most gains. Based on the most recent Census data, the high school dropout rate for the total African-American population declined from 21% in 2004 to 16% in 2014. In 2014, as previously reported in last year's report, 70.9% of African-American recent high school graduates enrolled in college, dramatically up from 59.3% in 2013, exceeding the college enrollment rate of Whites (67.3%), according to U.S. Bureau of Labor Statistics.

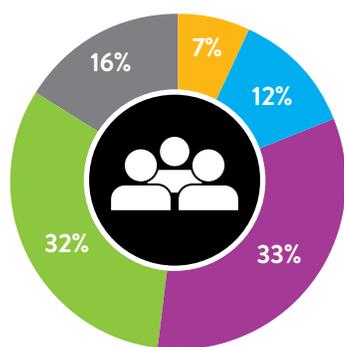
Of the degrees awarded in the U.S. from 2012 to 2013, Blacks received 10% of the bachelor's degrees, 12% of the master's degrees, and 7% of the doctorates. Black women outpaced their male counterparts, receiving 65% of the bachelor's degrees, 70% of the master's degrees, and 64% of the doctorate degrees awarded to Blacks.



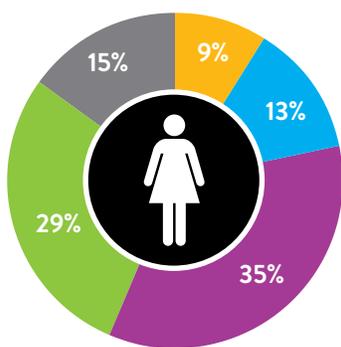
AFRICAN-AMERICAN WOMEN EXCEL IN HIGHER EDUCATION

AFRICAN-AMERICAN EDUCATIONAL ATTAINMENT BY GENDER, 2014

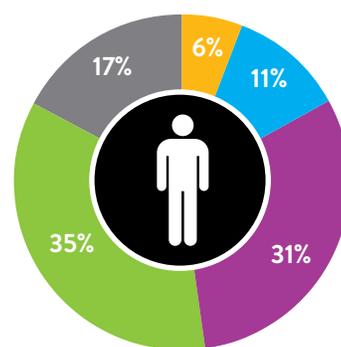
- MASTER'S DEGREE OR HIGHER
- BACHELOR'S DEGREE
- SOME COLLEGE OR ASSOCIATE'S DEGREE
- HIGH SCHOOL DIPLOMA OR GED
- LESS THAN HIGH SCHOOL DEGREE



TOTAL AFRICAN-AMERICAN



AFRICAN-AMERICAN FEMALE

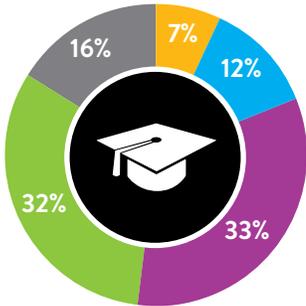


AFRICAN-AMERICAN MALE

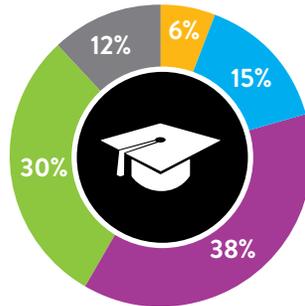
Source: U.S. Census Bureau, 2014 American Community Survey; African-Americans 25+.

AFRICAN-AMERICAN EDUCATIONAL ATTAINMENT BY AGE, 2014

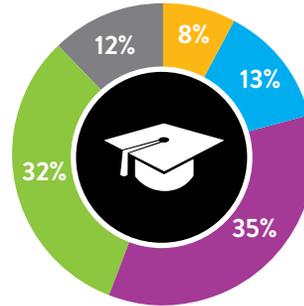
● MASTERS DEGREE OR HIGHER
 ● BACHELOR'S DEGREE
 ● SOME COLLEGE OR ASSOCIATE'S DEGREE
 ● HIGH SCHOOL DIPLOMA OR GED
 ● LESS THAN HIGH SCHOOL DEGREE



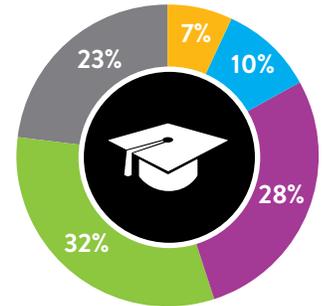
TOTAL



25-34



35-54



55 & OLDER

Source: U.S. Census Bureau, 2014 American Community Survey; African-Americans 25+.

When looking at Black education attainment by age group, today's Millennials are outpacing older generations by impressive margins. Fully, 89% of Black Millennials ages 25–34 completed high school, compared to 77% of those 55 and older. Furthermore, 21% of Black Millennials ages 25–34 have an associate's degree or higher, versus 17% of those who are 55 and older. Further, the higher education attainment levels for Black Millennials may see a sharp increase over the next few years, because 29% of African-Americans 18–34 say they intend to go back to school for a degree or certification in the next 12 months.

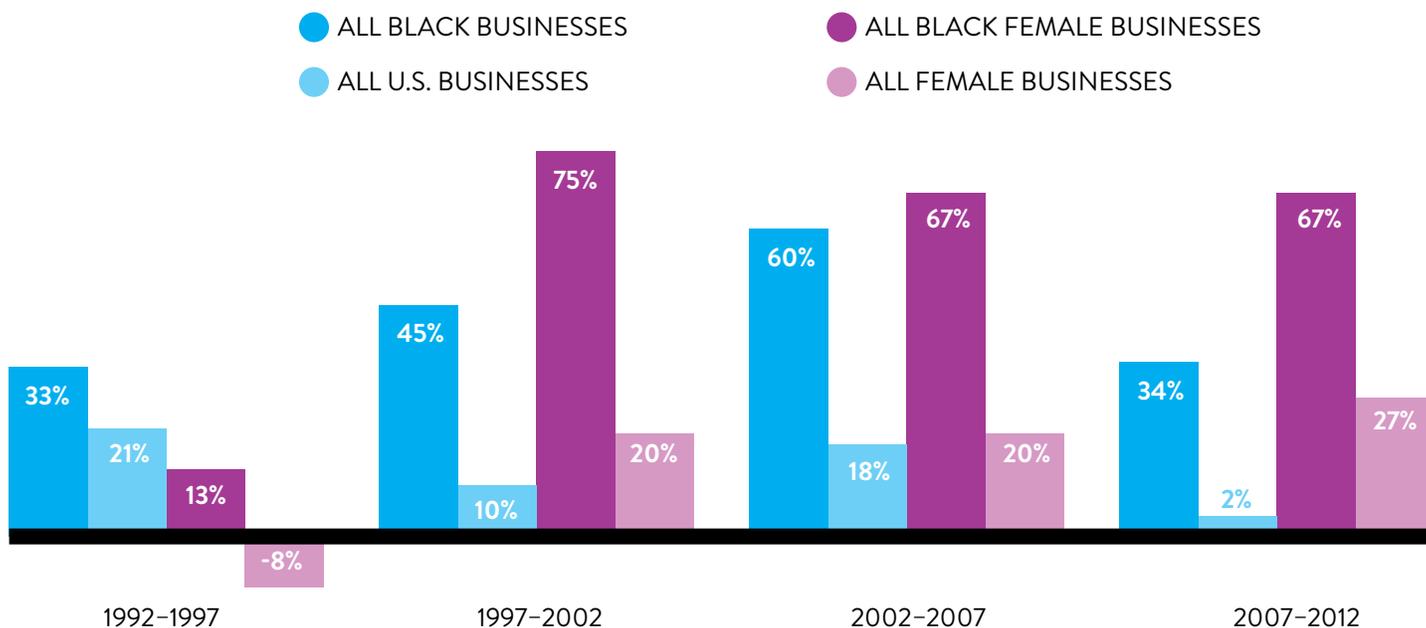


INCREASING ENTREPRENEURSHIP

African-American entrepreneurship, particularly in new businesses founded and led by Black women, has grown substantially over the last few decades. In the most recent U.S. Census Survey of Business Owners, released in 2015, data shows that in the five-year period between 2007 and 2012, the number of majority Black-owned businesses grew 34%. Between 2002 and 2012, the number of businesses grew 116%. At almost 2.6 million individual businesses, with over \$150 billion in sales, Black businesses represent 9% of all U.S. businesses. Female-owned businesses were the majority of Black businesses in 2012; at over 1.5 million businesses, they represent 59% of all Black businesses and 15% of all female-owned businesses. Black female-owned businesses have grown 67% since 2007 and 178% since 2002.



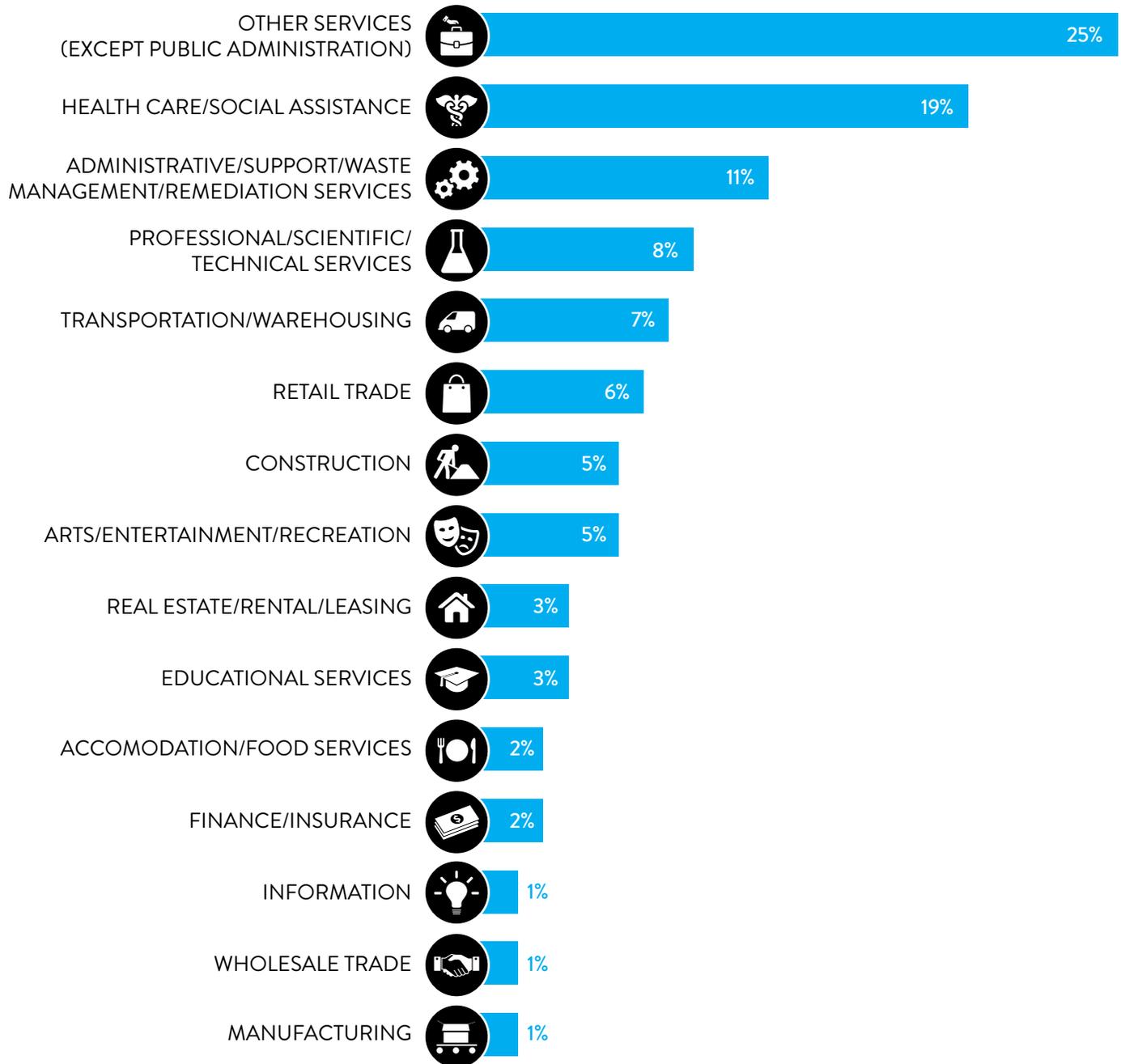
GROWTH IN NUMBER OF BLACK-OWNED BUSINESSES



Source: U.S. Census Bureau, 2004, 2009, and 2014 American Community Survey; Black race.

Aside from “non-specified other” services, which account for 25% of all Black-owned businesses, the industries with the most Black-owned businesses are healthcare and social assistance (19% of all Black-owned businesses), and administration, waste management and remediation services (11% of all Black-owned businesses).

AFRICAN-AMERICAN FIRMS BY INDUSTRY



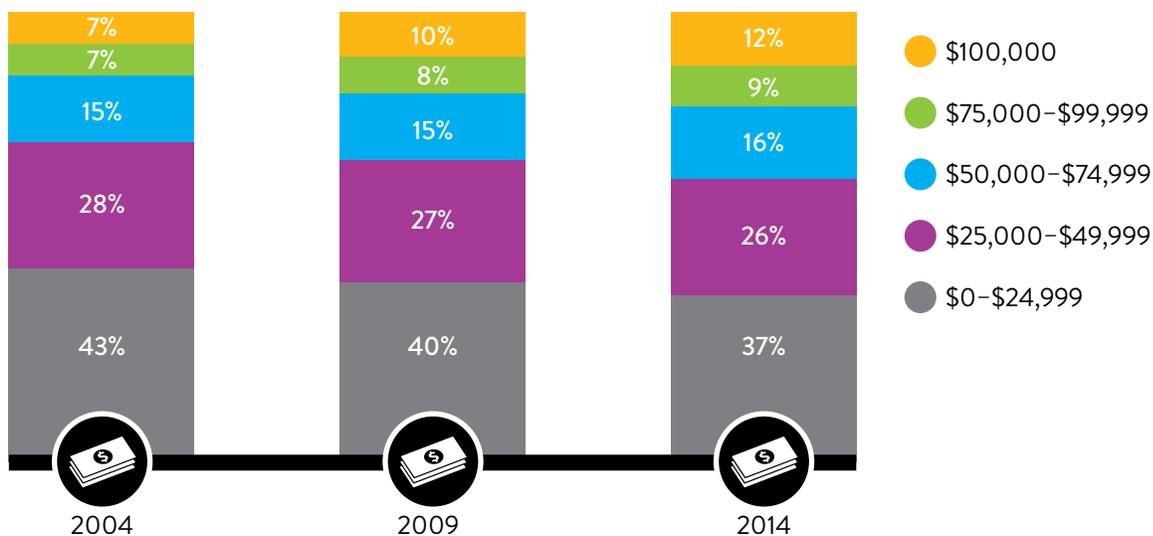
Source: U.S. Census Bureau, Survey of Business Owners, majority-Black-owned businesses, 2012 (information released in 2015).

HOUSEHOLD INCOME

African-Americans have shown steady and at times significant income growth in certain brackets over the last decade: The share of those households with an income under \$25,000 declined from 43% in 2004 to 37% of the total African-American population in 2014. For the \$25,000-\$50,000 bracket, the decline was from 28% to 26%. Meanwhile, the share of households with annual incomes from \$50,000-\$75,000 and \$75,000-\$100,000 increased from 15% to 16% and from 7% to 9%, respectively. The share of households with annual incomes over \$100,000 increased from 7% to 12%. These figures are not inflation-adjusted, but comparisons with the broader population clarify the picture. The percentage increase in the number of African-American households making \$50,000 or more per year has been greater for African-Americans than it has been for the nation as a whole. From 2004 to 2014, the number of Black households with annual incomes between \$50,000 and \$75,000 increased 18%, compared with 2% for the total U.S. During the same period, the number of Black households earning between \$75,000 and \$100,000 per year increased 35%, compared to 16% for the total U.S., and the number of Black households earning \$100,000 or more increased 95%, compared to 66% for the total U.S. Meanwhile, the number of Black households in the up to \$25,000 income bracket decreased 4% as compared to an 11% decrease for the nation, and the number in the \$25,000 to \$50,000 income bracket increased by 3%, as compared to a decrease of 9% for the nation as a whole.

U.S. BLACK HOUSEHOLD INCOME

(NOT ADJUSTED FOR INFLATION)



Source: U.S. Census Bureau, 2004, 2009, and 2014 American Community Survey; Black race.

AFRICAN-AMERICANS ARE MAKING ECONOMIC GAINS AND REACHING HIGHER



African-Americans are a relatively young population; however, they are aging with the under-18 share of the population decreasing and the share who are 55+ increasing. The total Black population is currently at 46.3 million (14% of the total U.S. population), with an increasing degree of population growth coming from older adults and those who are foreign born.



Progress continues in African-American educational advancement and entrepreneurship, with Black women leading the way. In education, high school dropout rates continue to decline and college enrollment rates are increasing. Black women have outpaced their male counterparts in terms of both the percentage of degrees awarded to African-Americans and level of educational attainment.



African-American entrepreneurship, particularly in businesses founded and led by Black women, has grown substantially over the last few decades. At almost 2.6 million individual businesses, Black businesses represent 9% of all U.S. firms, with female-owned businesses being the majority (59%) of Black firms.



African-Americans have also shown income growth over the last decade: The share of households with incomes under \$25,000 declined, the share of households with incomes over \$100,000 increased. Additionally, the percentage increase in the number of African-American households making \$50,000 or more per year has been greater for African-Americans than it has been for the nation as a whole. All of these advancements are contributing to increased Black buying power, as well as to a more sophisticated, savvy and largely female-driven African-American market.

SECTION II

VIRAL EMPOWERED PERSUADERS

The rising visibility and influence of Black consumers is making a profound and far-reaching impact when it comes to social media usage, television programming diversification, sports-viewing, technology adoption, and social activism.

A VIRAL VANGUARD

Led by tech-savvy Millennials who regard and use technology and social media almost as extensions of their personal identity, African-Americans have become adept at using digital platforms and apps to communicate with each other and the world around them. Although Black Millennials under-index for the percentage of leisure time spent on social networking sites (8%), they over-index for the actual number of hours spent. Fifty-five percent of Black Millennials say they spend an hour or more daily on social networking sites, which is 11% higher than the total Millennial population. Additionally, 29% of Black Millennials say they spend three or more hours daily on social networking sites, an amount that is 44% higher than that of the total Millennial population.



AFRICAN-AMERICANS SAY THEY SPEND MORE HOURS PER DAY ON SOCIAL NETWORKING SITES THAN THE TOTAL POPULATION

SELF-REPORTED DAILY TIME SPENT

	 1+ HOURS	 3+ HOURS
AFRICAN-AMERICAN MILLENNIALS (18-34)	55%	29%
TOTAL POPULATION (18-34)	49%	20%
INDEX	111	144
AFRICAN-AMERICANS 35+	28%	10%
TOTAL POPULATION 35+	26%	8%
INDEX	108	133

Source: Nielsen Scarborough USA+ 2015 Release 2, August 2014–October 2015.

Reflecting the importance that African-Americans place on mobile technology across all aspects of their lives, 64% of Black Millennials agree that they expect the quality of video on their mobile phone to be as good as that on their TV (21% higher than the total Millennial population).

Sixty-four percent of Black Millennials agree they like to keep their personal internet pages updated.* Facebook, YouTube and Twitter are the most common social networking sites with strong Black membership among all ages. Black Millennials and older generations over-index in membership against their total population counterparts for Twitter, Google+ and WhatsApp, while those aged 35 and older have more member profiles on YouTube, Instagram, SnapChat, and Tumblr, compared to their total population counterparts.**

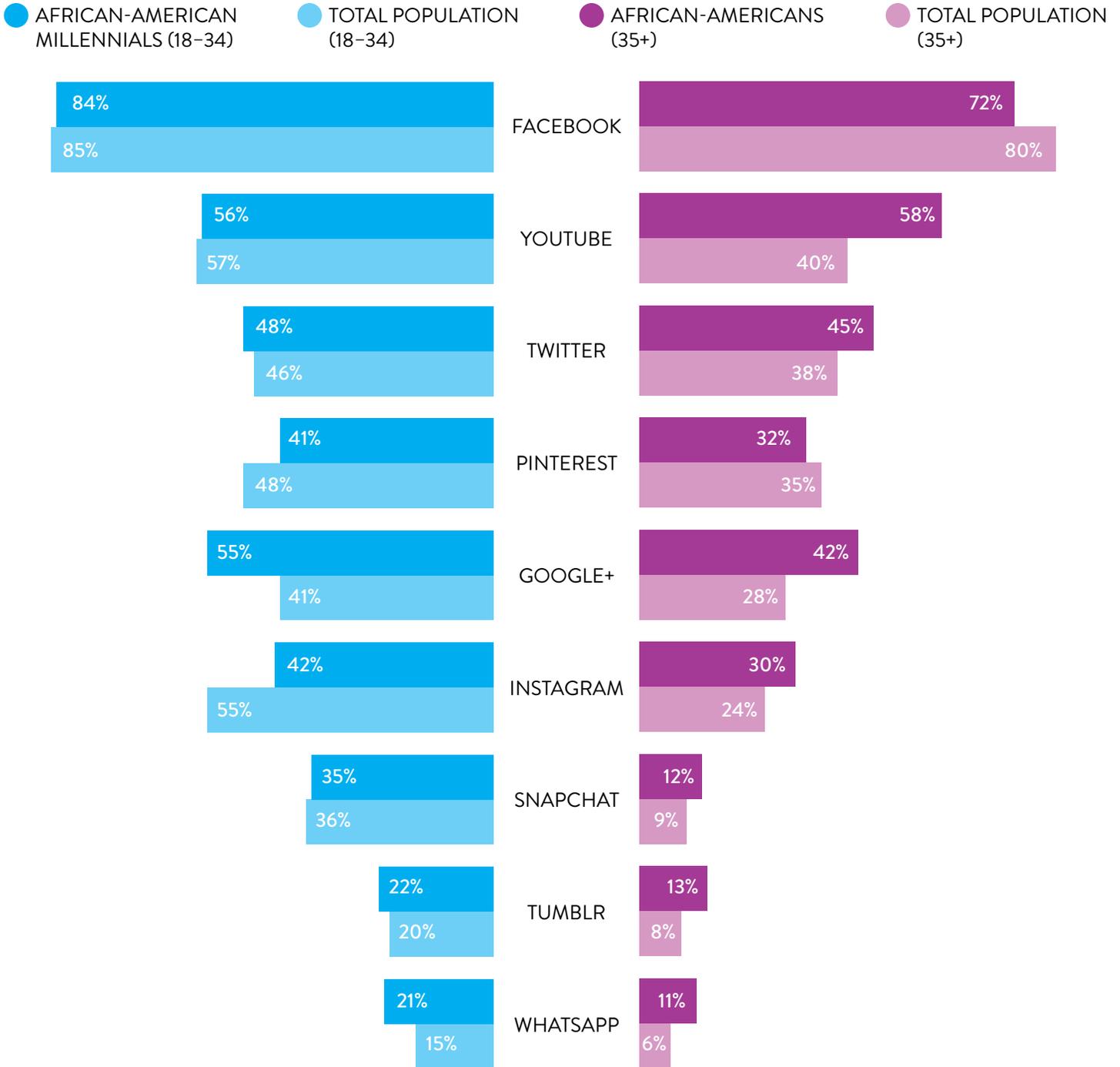
* Source: Nielsen Scarborough USA+ 2015 Release 2 (August 2014–October 2015).

** Source: Nielsen 360° Gaming Report, 2015.

55%
OF BLACK
MILLENNIALS SAY
THEY SPEND
AN HOUR OR
MORE DAILY
ON SOCIAL
NETWORKING SITES



SOCIAL NETWORKING SITE MEMBERSHIP



Source: Nielsen 360° Gaming Report, 2015.

SOCIAL MEDIA IS DRIVING CHANGE

In addition to interacting on social media for maintaining relationships with colleagues, family, and friends, or for engaging with products and celebrities, African-Americans, particularly Millennials, have elevated the platform to a usage level far beyond just communicating, entertainment and shopping. They are using social media to raise awareness of the situation of the Black community in American society. The grassroots #BlackLivesMatter movement, which began in 2012, has since become an ideological and political organization, with the goal of raising the national consciousness of social justice issues facing the Black community.

The hashtag #OscarsSoWhite is another example of social media driving change in the media industry. In response to the lack of diversity in actor nominations in nearly all categories in the 2015 Oscar nominations, the hashtag was born. The Academy of Motion Picture Arts and Sciences, the Oscars' governing body, responded. The most recent invitee list to the academy's class of 2016 reflects a step toward increased diversity among its membership. Of the 683 actors, directors, producers and executives invited in 2016, 46% were women, compared to 25% previously, and 41% were people of color, compared to 8% previously, demonstrating the power of social media to drive awareness and evoke change.

62%
OF AFRICAN-AMERICAN
MILLENNIALS SAY THEY
WOULD RECOMMEND
A FINANCIAL PRODUCT
OR SERVICE IF THEY
LIKE IT



SOCIAL SPOTLIGHT

In the wake of social-issue protests earlier this year, hip-hop artist Killer Mike offered an economic solution to help the Black community. A hashtag – #bankblack – laid the foundation for a plan encouraging at least one million African-Americans to deposit \$100 in Black-owned banks in America. MTV News and BET News hosted a joint town hall to address the issues and also offer possible solutions. Citizen's Trust, an Atlanta-based bank, experienced an increase in deposits, as 8,000 people opened new accounts for a total of about \$800,000 in deposits. The CEO of the bank tweeted Killer Mike to thank him for his contributions to beginning the dialogue that shifted the focus from disappointment to empowerment. There were 23 Black-owned banks as of March 31, according to the U.S. Federal Reserve. According to Nielsen Scarborough, African-Americans of all ages say they will recommend a financial product or service to someone else, and regularly read financial publications.*

*Source: Nielsen Scarborough USA+ 2015 Release 2 (August 2014–October 2015).

MOBILE TRENDSETTERS

CLOSING THE (MOBILE) DIGITAL DIVIDE

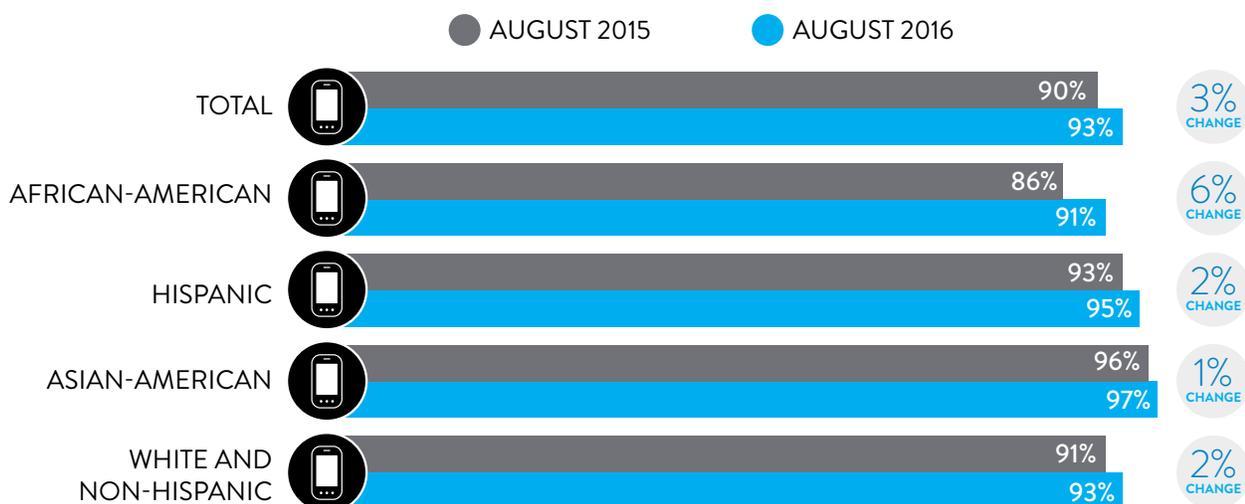
The digital divide for multicultural consumers with regard to mobile internet access has been closing rapidly in recent years, and in 2015, African-Americans are leading the way: 91% of African-Americans say they access the internet via a smartphone or broadband, up from 86% the year prior—outpacing other racial/ethnic groups by six percent. African-Americans are not only showing the largest increase in mobile internet access, but they are the second-largest multicultural group for mobile device ownership, with 91% owning smartphones (compared to 94% of Asian-Americans, and 90% of Hispanics).*

That said, penetration is lower for both computer and tablet ownership among African-Americans. Forty-five percent of African-Americans own desktop or laptop computers (compared to 79% of Whites), and 38% of African-Americans own tablets (compared to 47% of Whites). As noted, mobile devices (particularly smartphones) have been the catalysts in bringing a heightened awareness of social issues via social media, highlighting the devices' importance to African-Americans. Recognizing that importance, marketers looking to connect with African-Americans, particularly Millennials, must include mobile as an essential element in their strategic plans.

*Source: Nielsen Mobile Insights, April 11, 2016–June 30, 2016. Mobile device penetration among mobile subscribers 13+.

MOBILE INTERNET USE ON THE RISE AMONG AFRICAN-AMERICANS

INTERNET PENETRATION AMONG TV HOUSEHOLDS WITH ONE OR MORE SMARTPHONE OR HIGH SPEED INTERNET CONNECTION



Source: Nielsen National People Meter (NPM), based on average scaled installed August 15, 2016 versus August 15, 2015 among households with one or more smartphone or high speed internet connection.

On a self-reported basis, African-Americans of all ages are more likely than their counterparts to agree that they are among the first of their friends and colleagues to try new technology. The majority are fascinated by new technology, enjoy learning about technology from others and will typically recommend a technology or electronics product they like to people they know.

AFRICAN-AMERICAN MILLENNIALS ARE TECH TRAILBLAZERS

PERCENT WHO SAY THEY COMPLETELY AGREE OR SOMEWHAT AGREE

AFRICAN-AMERICAN MILLENNIALS (18-34)	TOTAL MILLENNIALS (18-34)	INDEX	AFRICAN-AMERICANS (35+)	TOTAL POPULATION (35+)	INDEX
I AM AMONG THE FIRST OF MY FRIENDS AND COLLEAGUES TO TRY NEW TECHNOLOGY PRODUCTS					
41%	33%	125	29%	24%	119
I ENJOY LEARNING ABOUT TECHNOLOGY OR ELECTRONIC PRODUCTS FROM OTHERS					
68%	65%	105	57%	54%	105
I GIVE OTHERS ADVICE WHEN THEY ARE LOOKING TO BUY TECHNOLOGY OR ELECTRONICS PRODUCTS					
52%	49%	106	37%	32%	115
I OFTEN TAKE THE OPPORTUNITY TO DISCUSS MY KNOWLEDGE OF TECHNOLOGY OR ELECTRONIC PRODUCTS WITH OTHERS					
49%	41%	120	36%	29%	125
I WANT OTHERS TO SAY "WOW" WHEN THEY SEE MY ELECTRONICS					
43%	33%	131	28%	19%	145
I'M FASCINATED BY NEW TECHNOLOGY					
70%	67%	105	58%	54%	108
WHEN I FIND A TECHNOLOGY OR ELECTRONICS PRODUCT I LIKE, I TYPICALLY RECOMMEND IT TO PEOPLE I KNOW					
68%	68%	100	51%	53%	96

Source: Nielsen Scarborough USA+ 2015 Release 2 (August 2014–October 2015).

VIGOROUS VIDEO CONTENT CONSUMERS

African-Americans are vigorous viewers of television and video, particularly live TV, with Millennial Blacks spending almost 33 hours per week watching live plus time-shifted TV, a rate 61% higher than their total market counterparts and African-Americans 35 to 49 spending 48 hours per week, a rate 49% higher than their total market counterparts. The same holds true for watching video on PCs and smartphones, which Black Millennials watch at rates 48% and 23% higher, respectively, than their total market counterparts, and African-Americans ages 35 to 49 watch at rates 45% and 32% higher, respectively.

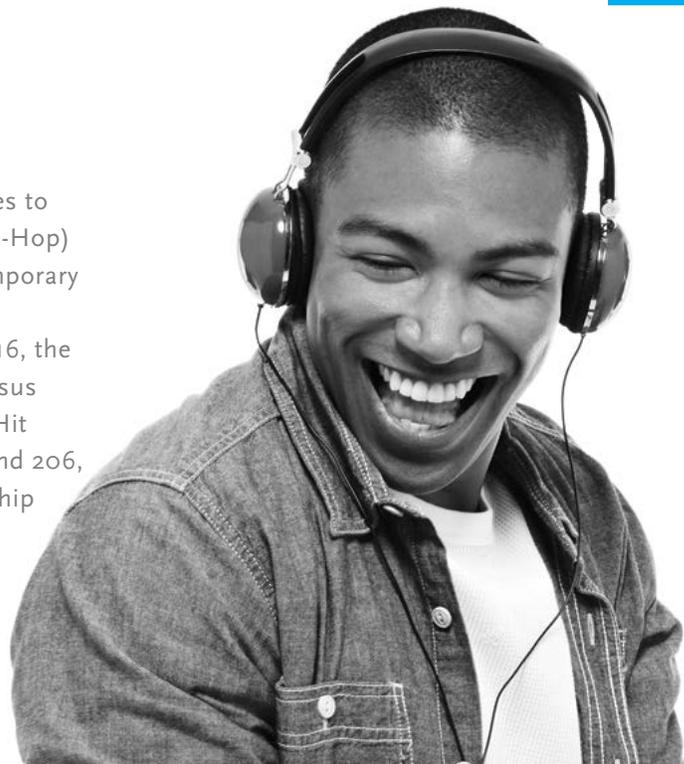
AFRICAN-AMERICANS' WEEKLY TIME SPENT ON DEVICES, BY AGE

	AFRICAN-AMERICAN MILLENNIALS (18-34)	TOTAL MILLENNIALS (18-34)	INDEX	AFRICAN-AMERICANS (35-49)	TOTAL POPULATION (35-49)	INDEX
 LIVE + DVR/TIME-SHIFTED TV	32:51	20:24	161	47:58	32:07	149
 DVR/TIME-SHIFTED TV	2:25	2:22	102	4:20	4:22	99
 AM/FM RADIO	11:00	10:54	101	14:00	13:40	102
 DVD/BLU-RAY DEVICE	0:59	0:59	100	1:10	1:05	108
 GAME CONSOLE	3:33	3:44	95	1:22	1:30	91
 MULTIMEDIA DEVICE	1:54	2:19	82	1:31	1:44	88
 INTERNET ON A PC	8:29	6:28	131	9:10	8:20	110
 VIDEO ON A PC	3:47	2:33	148	3:12	2:12	145
 APP/WEB ON A SMARTPHONE	13:28	14:23	94	14:56	14:34	103
 VIDEO ON A SMARTPHONE	0:50	0:41	123	0:34	0:25	132

Sources: Nielsen Live+DVR/Time-shifted TV, DVR/Time-shifted TV, DVD/Blu-Ray Device, Game Consoles, Multimedia Devices December 28, 2015–March 27, 2016 via Nielsen NPOWER/National Panel; Radio, March 26, 2015–March 23, 2016 via RADAR 129; PC, January 1, 2016–March 31, 2016 via Nielsen Netview and Nielsen VideoCensus; Mobile, January 1, 2016–March 31, 2016 via Nielsen Electronic Mobile Measurement.

RADIO

African-American adults have different preferences when it comes to AM/FM radio. Black Millennials favor Urban Contemporary (Hip-Hop) while African-Americans 35 and older prefer Urban Adult Contemporary (R&B). Worthy of call out is the multi-year growth of the Urban Contemporary format among both demo groups. From 2012–2016, the number of Urban Contemporary stations increased 23% (178 versus 219, respectively) while the number of Rhythmic Contemporary Hit radio stations decreased 3% during the same time period (213 and 206, respectively). Radio stations playing hip-hop have seen listenership increase at the expense of more “pop” oriented formats like Rhythmic Contemporary Hit radio.



RADIO LISTENERSHIP AMONG AFRICAN-AMERICANS, BY AGE

SHARE OF TOTAL LISTENING

AFRICAN-AMERICAN MILLENNIALS (18–34)	Q2 2012	Q2 2013	Q2 2014	Q2 2015	Q2 2016
URBAN ADULT CONTEMPORARY	21.8%	21.1%	22.0%	21.0%	21.1%
URBAN CONTEMPORARY	30.6%	32.3%	32.1%	33.7%	33.3%
RHYTHMIC CONTEMPORARY HIT RADIO	15.6%	14.2%	12.5%	11.1%	10.4%
URBAN OLDIES	0.3%	0.6%	0.8%	0.6%	0.8%
COMBINED TOTAL	68.4%	68.3%	67.4%	66.5%	65.6%

AFRICAN-AMERICANS (35+)	Q2 2012	Q2 2013	Q2 2014	Q2 2015	Q2 2016
URBAN ADULT CONTEMPORARY	36.9%	36.8%	36.6%	35.2%	35.1%
URBAN CONTEMPORARY	12.1%	12.2%	12.7%	13.8%	14.5%
RHYTHMIC CONTEMPORARY HIT RADIO	5.6%	5.3%	5.1%	5.4%	5.1%
URBAN OLDIES	0.8%	1.5%	2.0%	1.4%	1.5%
COMBINED TOTAL	55.4%	55.9%	56.4%	55.8%	56.2%

Source: Nielsen National Respondent Data from Spring 2012–2016.

TV

AFRICAN-AMERICANS ARE MOVING AHEAD IN CREATING AND ACTING, AS WELL AS WATCHING

When it comes to leisure activities, watching TV and movies is the primary way that African-Americans claim they spend their time, with Millennial Blacks over-indexing their total market counterparts by 20%.

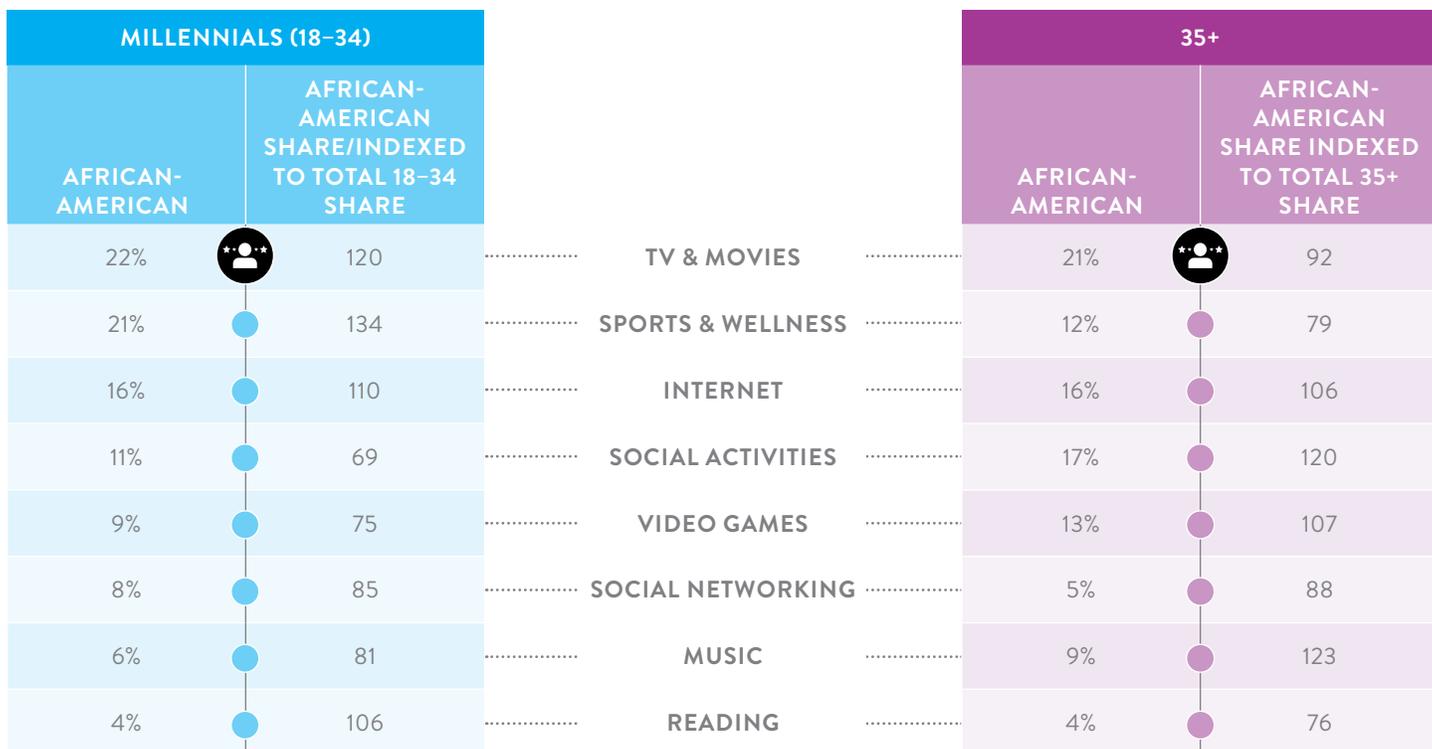
Overall, Black viewers are helping to elevate up-and-coming Black celebrities and programs, which are at the forefront of a trend towards diversity in television, movies and other media forms. In fact, 62% of Black Millennials agree that they feel really good about seeing celebrities in the media who share their ethnic background.*

*Source: Nielsen Scarborough USA+ 2015 Release 2 (August 2014–October 2015).

62%

OF BLACK MILLENNIALS AGREE THAT THEY FEEL REALLY GOOD ABOUT SEEING CELEBRITIES IN THE MEDIA WHO SHARE THEIR ETHNIC BACKGROUND.

SHARE OF WEEKLY LEISURE TIME ACTIVITIES BY ACTIVITY AMONG AFRICAN-AMERICANS, BY AGE

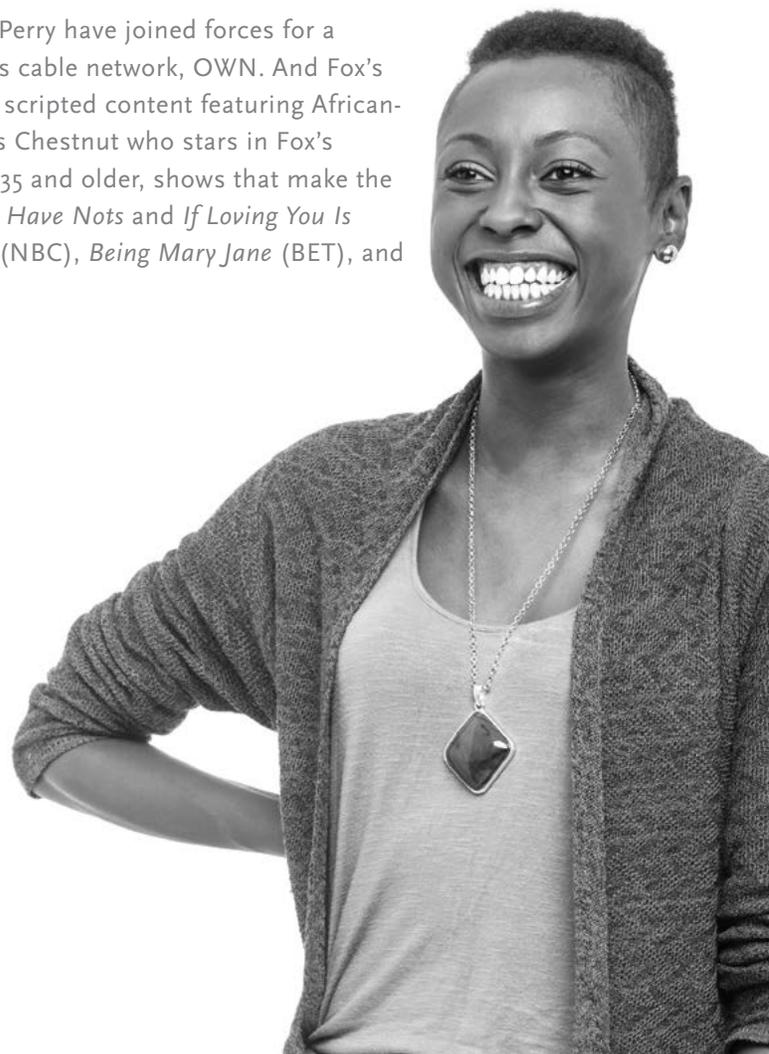


Source: Nielsen 360° Gaming Report, 2015.

Four of the top network TV shows among African-American Millennials—*Empire* (Fox), *Scandal* (ABC), *Love & Hip-Hop Atlanta 5* (VH1), and *How to Get Away With Murder* (ABC)—all have Black creators, co-creators, or executive producers, as well as predominantly Black casts and/or leading Black characters. *Empire*'s leading stars, Terrence Howard and Taraji P. Henson, are on their way to becoming household names across all demographic viewing audiences and 35% of the show's viewers are non-African-American. Even further exemplifying the growing mainstream audience appeal of these shows, 68% of *Scandal*'s viewers and 76% of *Black-ish*'s viewers are non-African-American.

All but one of the top 10 shows among African-Americans, for both Millennials and those 35 and older, are shows where African-Americans significantly over-index against the total population. The one exception is *The Walking Dead* (AMC), which ranks as the eighth most popular show for Black Millennial viewers, but actually under-indexes for Black audiences. While *Empire*, *Scandal*, *How to Get Away With Murder*, and *Love and Hip Hop Atlanta* (VH1) are in the top 10 shows among Black Millennials and older generations, *The Walking Dead*, and the other series installments of the *Love and Hip Hop* reality show franchise, as well as various series installments of *Black Ink Crew* (VH1) are also popular shows.

Industry titans Oprah Winfrey and Tyler Perry have joined forces for a portfolio of scripted content on Winfrey's cable network, OWN. And Fox's *Empire* success effectively greenlit other scripted content featuring African-American lead characters such as Morris Chestnut who stars in Fox's sophomore series *Rosewood*. For Blacks 35 and older, shows that make the top 10 list are OWN's *The Haves and the Have Nots* and *If Loving You Is Wrong*, *Rosewood* (FOX), *Little Big Shots* (NBC), *Being Mary Jane* (BET), and *Real Housewives of Atlanta* (BRAVO).



TOP TV PROGRAMS AMONG AFRICAN-AMERICAN VIEWERS, BY AGE

PROGRAMS	NETWORK	AFRICAN-AMERICAN MILLENNIALS (18-34) AVERAGE AUDIENCE RATING	AFRICAN-AMERICAN MILLENNIALS (18-34) VIEWERS (000)
EMPIRE	FOX	25.6	2,572
LOVE & HIP HOP ATLANTA 5	VH1	11.5	1,157
LOVE & HIP HOP HOLLYWOOD 2	VH1	10.8	1,091
LOVE & HIP HOP 6	VH1	10.7	1,077
BLACK INK CREW 3	VH1	9.4	950
BLACK INK CREW 4	VH1	8.9	895
BLACK INK CREW CHICAGO	VH1	7.9	795
THE WALKING DEAD	AMC	7.2	728
HOW TO GET AWAY WITH MURDER	ABC	7.0	710
SCANDAL	ABC	6.7	678

Read as: The average audience rating for *Empire* was 25.6% of African-Americans, 18-34.

Source: Nielsen NPOWER, Persons 18-34, Persons 35-99, Broadcast and Cable, Live +7 Days, TV with Digital, TV with Video On Demand (VOD), September 21, 2015-June 26, 2016, does not include syndicated programs, specials, sports or programs with less than four telecasts.

PROGRAMS	NETWORK	AFRICAN-AMERICANS (35+) AVERAGE AUDIENCE RATING	AFRICAN-AMERICANS (35+) VIEWERS (000)
EMPIRE	FOX	32.4	6,378
SCANDAL	ABC	13.2	2,607
HOW TO GET AWAY WITH MURDER	ABC	12.7	2,502
THE HAVES AND THE HAVE NOTS	OWN	11.6	2,295
ROSEWOOD	FOX	11.0	2,165
IF LOVING YOU IS WRONG	OWN	10.0	1,969
LITTLE BIG SHOTS	NBC	7.9	1,566
BEING MARY JANE 3	BET	7.9	1,557
REAL HOUSEWIVES OF ATLANTA 8	BRAVO	7.5	1,491
LOVE & HIP-HOP ATLANTA 5	VH1	7.0	1,384

Read as: The average audience rating for *Empire* was 32.4% of African-Americans, 35+.

Source: Nielsen NPOWER, Persons 18-34, Persons 35-99, Broadcast and Cable, Live +7 Days, TV with Digital, TV with Video On Demand (VOD), September 21, 2015-June 26, 2016, does not include syndicated programs, specials, sports or programs with less than four telecasts.

Sports programs, specifically Super Bowl 50 (CBS) and the NBA Finals game series (ABC), along with an *Empire* holiday special, dominated the top 10 sports and specials for both African-American Millennials and African-Americans 35 and over. There is little difference between the age groups when it comes to top specials, with eight of the 10 being the same.

TOP SPORTS AND OTHER SPECIALS AMONG AFRICAN-AMERICAN VIEWERS, BY AGE

PROGRAM	NETWORK	AFRICAN-AMERICAN MILLENNIALS (18-34) AVERAGE AUDIENCE RATING	AFRICAN-AMERICAN MILLENNIALS (18-34) VIEWERS (000)
SUPER BOWL 50	CBS	32.0	3,218
EMPIRE (HOLIDAY SPECIAL)	FOX	22.3	2,242
NBA FINALS (GAME 7)	ABC	17.2	1,732
NFC CHAMPIONSHIP (NFL)	FOX	15.7	1,581
NBA FINALS (GAME 5)	ABC	15.6	1,573
NBA FINALS (GAME 6)	ABC	14.3	1,444
NBA FINALS (GAME 1)	ABC	14.0	1,406
NBA FINALS (GAME 2)	ABC	13.0	1,309
AFC CHAMPIONSHIP (NFL)	CBS	13.0	1,308
NBA FINALS (GAME 3)	ABC	12.5	1,264

Read as: The average audience rating for Super Bowl 50 was 32% of African-Americans, 18-34.

Source: Nielsen NPOWER, September 21, 2015-June 26, 2015, Season to Date. Broadcast and Cable. Live+7. Excluding Repeats. Including only Specials with one telecast and a rating of 1.0 or higher. Excluding telecasts with less than 10 minutes duration.

PROGRAM	NETWORK	AFRICAN-AMERICANS (35+) AVERAGE AUDIENCE RATING	AFRICAN-AMERICANS (35+) VIEWERS (000)
SUPER BOWL 50	CBS	41.5	8,162
EMPIRE (HOLIDAY SPECIAL)	FOX	27.7	5,459
NBA FINALS (GAME 7)	ABC	25.4	5,004
NFC CHAMPIONSHIP (NFL)	FOX	23.9	4,703
AFC CHAMPIONSHIP (NFL)	CBS	23.0	4,520
THE WIZ LIVE!	NBC	22.9	4,511
NBA FINALS (GAME 5)	ABC	20.6	4,058
NBA FINALS (GAME 6)	ABC	20.2	3,987
NFC PLAYOFF GAME (NFL)	FOX	19.0	3,740
NBA FINALS (GAME 1)	ABC	18.8	3,702

Read as: The average audience rating for Super Bowl 50 was 41.5% of African-Americans, 35+.

Source: Nielsen NPOWER, Persons 18-34, Persons 35-99, Broadcast, Live +7 Days, TV with Digital, TV with Video On Demand (VOD), September 21, 2015-June 26, 2016, does not include syndicated programs.

MORE DIVERSE CONTENT DRIVES INCREASED AD SPEND

TV captured the largest share of Black advertising spend in 2015, which is up 11% versus 2011. In fact, in the four-year period between 2011 and 2015, broadcast TV ad spend focused on Black audiences increased 255% and syndicated TV ad spending increased 55%. The reason? In the most recent broadcast seasons, specifically 2014-2015 and 2015-2016, broadcast TV drew a larger number of Black viewers due to increased diversity of primetime programs on mainstream networks that featured predominantly Black casts and/or leading Black actors. Dramas such as *Empire*, *Rosewood*, *Scandal*, *How to Get Away with Murder*; sitcoms like *Black-ish* and specials like *The Wiz LIVE!* have contributed to a significant shift in ad dollars reaching Black audiences, further evidence of the wide reach of Black cultural influence.

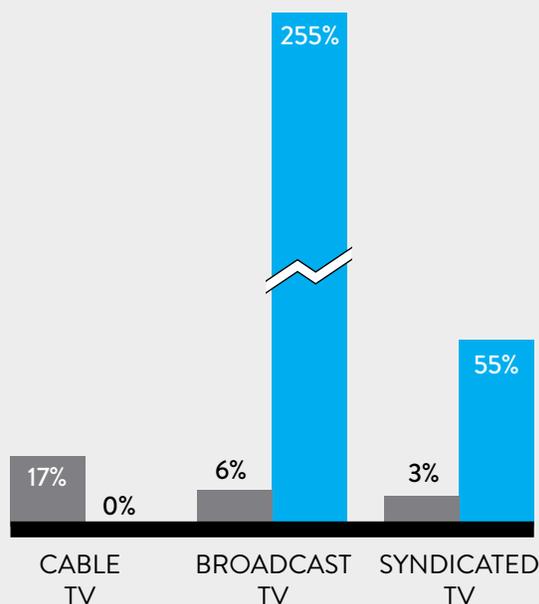
Advertising spend focused on Black audiences (ad dollars placed on programming that has greater than 50% Black viewers) through syndicated and broadcast TV, increased slightly in 2015 versus 2014, and slightly decreased for spot radio and cable TV during the same time period. Cable TV represents the largest share of dollars in spend focused on Black audiences at \$1.3 billion in 2015. And in light of the recent broadcast TV ad dollar boost toward Black audiences, cable TV still offers niche, audience-segmented programming for African-American viewers of all ages.

BETWEEN 2011 AND 2015, BROADCAST
TV AD SPEND FOCUSED ON
BLACK AUDIENCES INCREASED

255%

AD SPEND CHANGE 2011-2015

- TOTAL AD SPEND CHANGE
- AD SPEND FOCUSED ON BLACK AUDIENCES



Source: Nielsen Ad Intel; January 1, 2011–December 31, 2015.

DEFINITIONS OF AFRICAN-AMERICAN COVERAGE

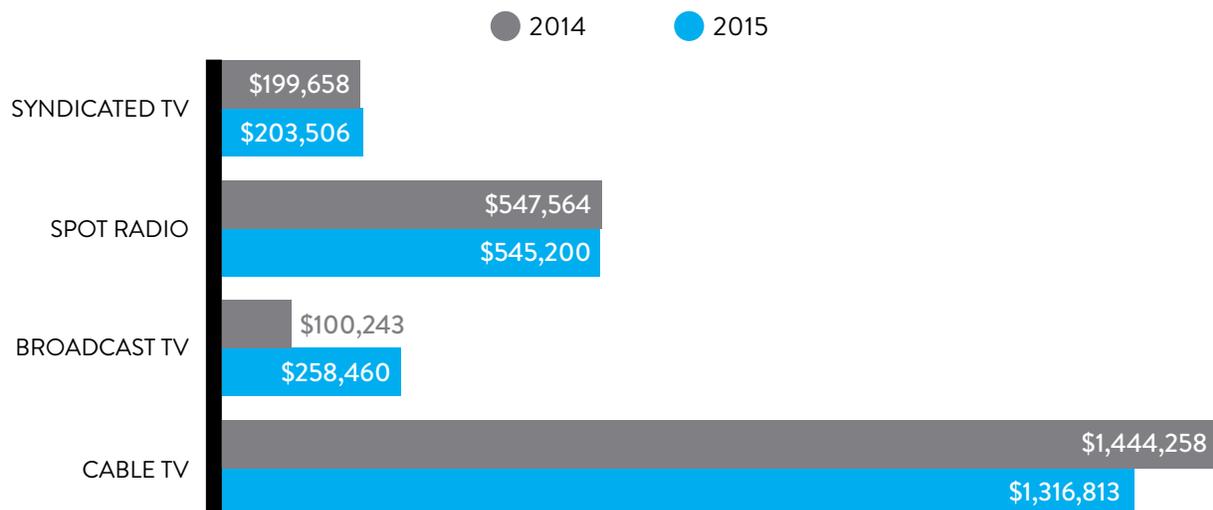
Broadcast: Ads placed on programs aired on TV networks such as CBS, ABC, NBC, FOX, The CW, etc. where the composite African-American viewing audience is greater than 50% compared to the total viewing audience.

Cable: Ads placed on programs aired on TV networks such as Bounce TV, BET, Centric, TV One, Up, OWN, VH1, etc. where the composite African-American viewing audience is greater than 50% compared to the total viewing audience.

Syndicated TV: Ads placed on programs where the composite African-American viewing audience is greater than 50% compared to the total viewing audience.

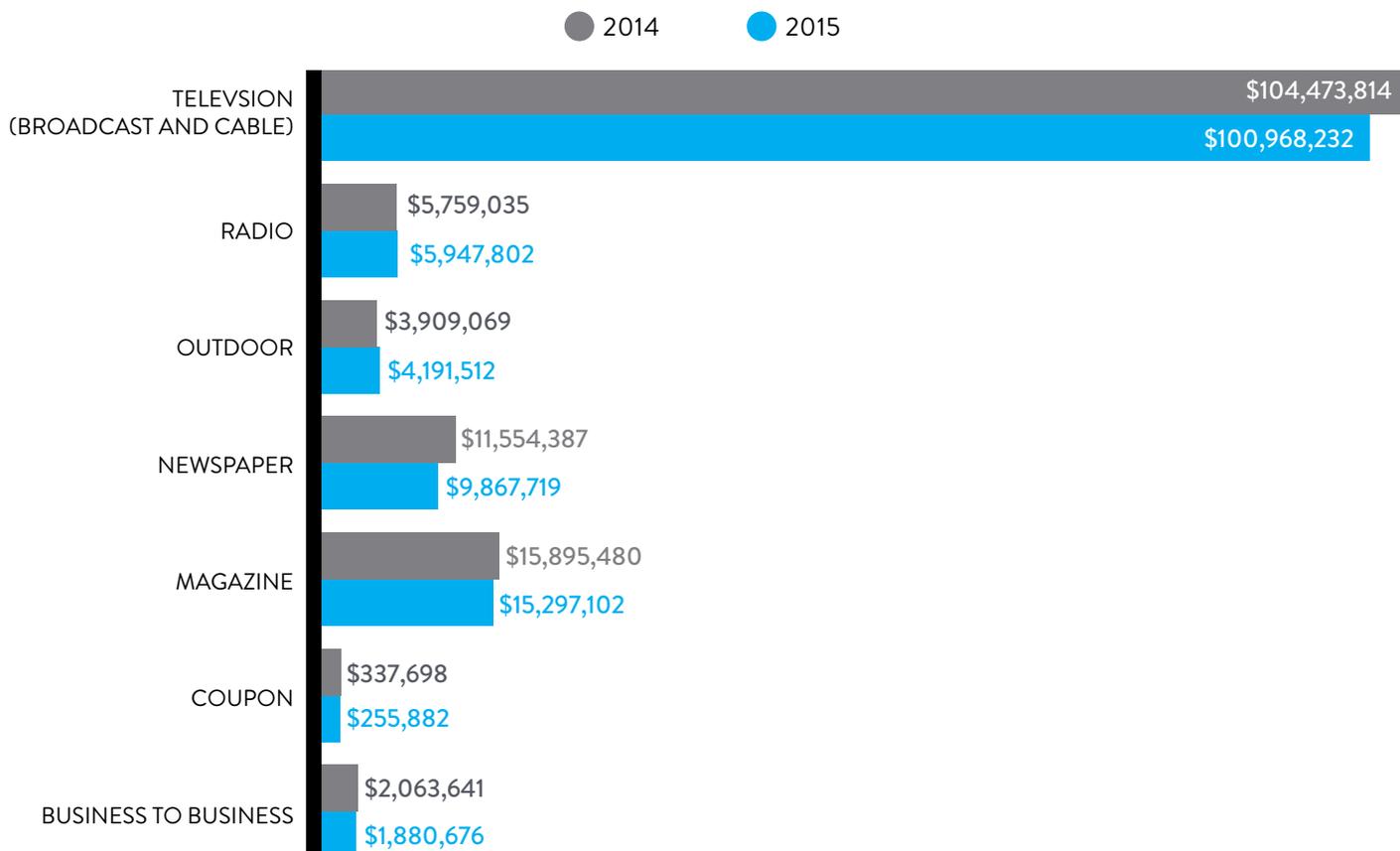
Spot radio: Ads placed on local radio stations which have African-American targeted formats such as urban, gospel, smooth jazz, Black talk/news, etc.

AD SPEND FOCUSED ON BLACK AUDIENCES – DOLLARS (000)



Source: Nielsen Ad Intel; January 1, 2014–December 31, 2015.

TOTAL MEDIA AD SPEND - DOLLARS (000)



Source: Nielsen Ad Intel; January 1, 2014–December 31, 2015.

GAMING ATTITUDES ARE COMPETITIVE

African-American Millennials claim to spend 9% of their leisure time on video games, versus 12% for the total Millennial population, while African-Americans 35 and older spend 13% of their leisure time on video games. Although some African-Americans spend less of their free time on video games, they are often early adopters and influencers among gamers. African-Americans of all ages over-index against their total population counterparts for agreeing that they are the first to buy the newest games or gaming systems, that their friends ask their opinion about video games, and that all of their friends are gamers. Interestingly, they are more social gamers: African-Americans under-index for playing single player games and over-index for playing video games for the competition. With increased internet access and a large representation on multiple social media networks, Black gamers connect and play games with others who are not necessarily living in the same household.

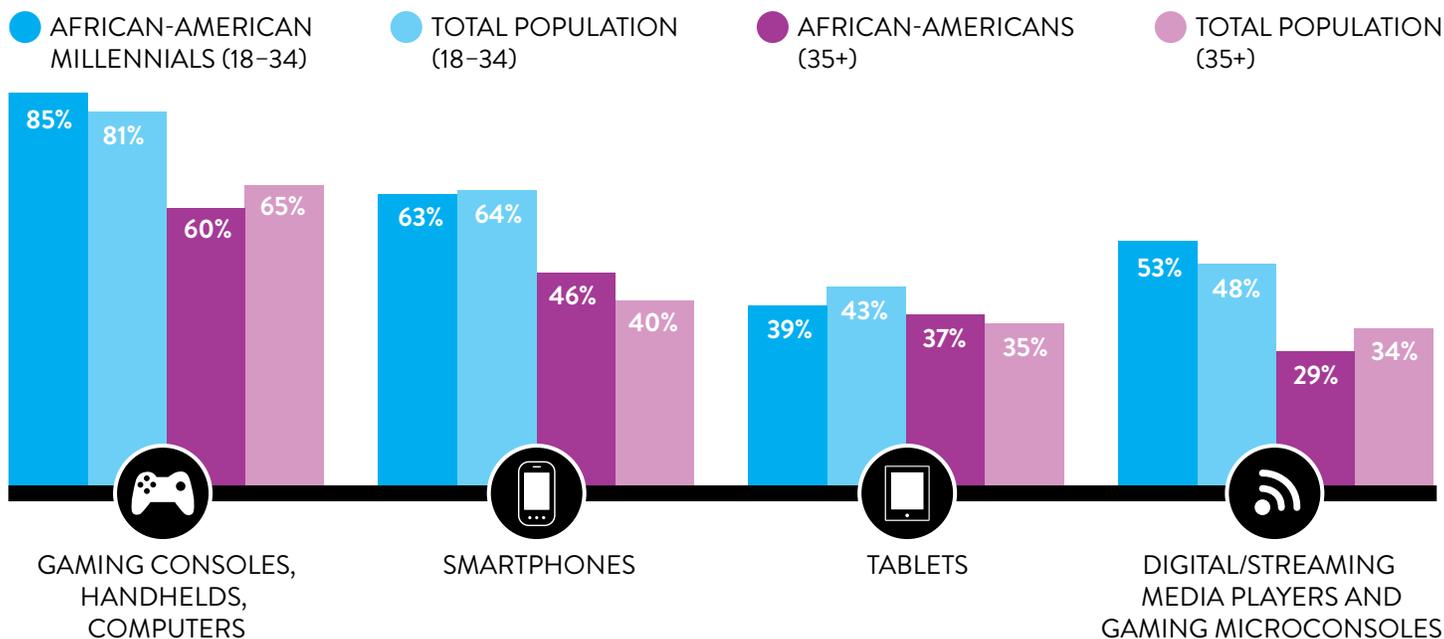
AFRICAN-AMERICAN MILLENNIALS ARE ACTIVE GAMERS

PERCENT WHO SAY THEY COMPLETELY AGREE OR SOMEWHAT AGREE

AFRICAN-AMERICAN MILLENNIALS (18-34)	TOTAL MILLENNIALS (18-34)	TOTAL AFRICAN-AMERICAN (35-49)	TOTAL POPULATION (35-49)
MY FRIENDS OFTEN ASK FOR MY OPINION ABOUT VIDEO GAMES			
42%	34%	11%	11%
I PLAY VIDEO GAMES FOR THE COMPETITION			
39%	33%	21%	17%
ALL OF MY FRIENDS ARE GAMERS			
34%	28%	15%	11%
I AM THE FIRST TO BUY THE NEWEST GAMES OR GAMING SYSTEMS			
29%	22%	11%	9%

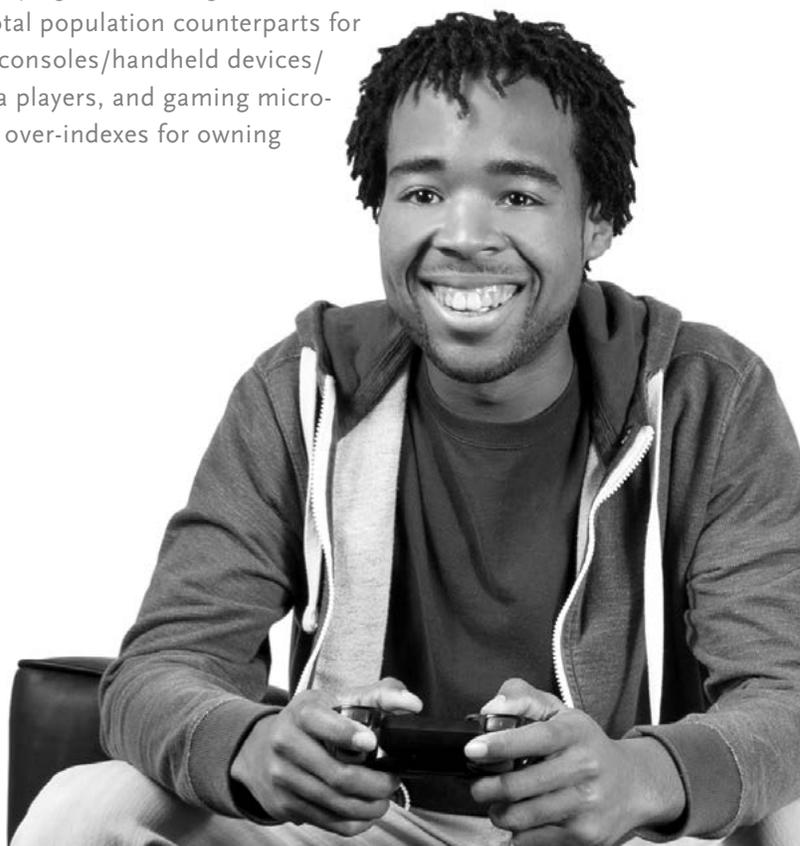
Source: Nielsen 360° Gaming Report, 2015.

VIDEO GAME DEVICE OWNERSHIP



Source: Nielsen 360° Gaming Report, 2015.

African-Americans of all ages are most likely to own gaming consoles, handheld devices, or computers for playing their video games. Black Millennials over-index against their total population counterparts for net (collective) ownership of gaming consoles/handheld devices/computers/digital or streaming media players, and gaming microconsoles. The 35-and-older age group over-indexes for owning smartphones to play video games.



AFRICAN-AMERICANS ARE TECHNOLOGY TRAILBLAZERS AND CATALYSTS OF SOCIAL AWARENESS



Trend-setting Black consumers are influencing the U.S. mainstream in profound and far-reaching ways when it comes to social media usage, television programming diversification, sports-viewing, technology adoption and social activism. Led by tech-savvy Millennials, African-Americans have become adept at using digital platforms and apps to communicate, and to leverage social media to increase the national consciousness with regard to issues affecting the Black community and to effect change.



African-Americans outpace Whites in both smartphone ownership and mobile internet access, but there is a gap in penetration for both computers and tablets. Since African-Americans, particularly Millennials, over-index for learning about technology and electronic products from others, discussing and giving others advice about technology, and recommending technology products to people they know, campaigns using brand ambassadors should be considered when developing growth strategies.



African-Americans are vigorous viewers of television and video, with both Millennial and those 35 and older over-indexing against their total market counterparts. Watching TV and movies are the primary way that Blacks claim they spend their leisure time. These Black viewers are helping to popularize Black celebrities and programs, which are at the forefront of an overall trend toward diversity in television, movies, and other media forms. Four of the current top network TV shows, several of which are watched predominantly by non-Blacks, have Black creators, co-creators, or executive producers, as well as predominantly Black casts or leading Black characters.



TV captured the largest share of Black advertising spend in 2015, which was up 11% versus 2011. Between 2011 and 2015, broadcast TV ad spend focused on Black audiences increased 255% and syndicated TV increased 55%. The diversification of TV programming is affecting advertising spend, as popular lead Black talent, Black show producers and creators as well as Black culture-influenced storylines on mainstream media are reaching larger audiences.

SECTION III

CONSUMPTION GAINS OUTPACE THE TOTAL POPULATION

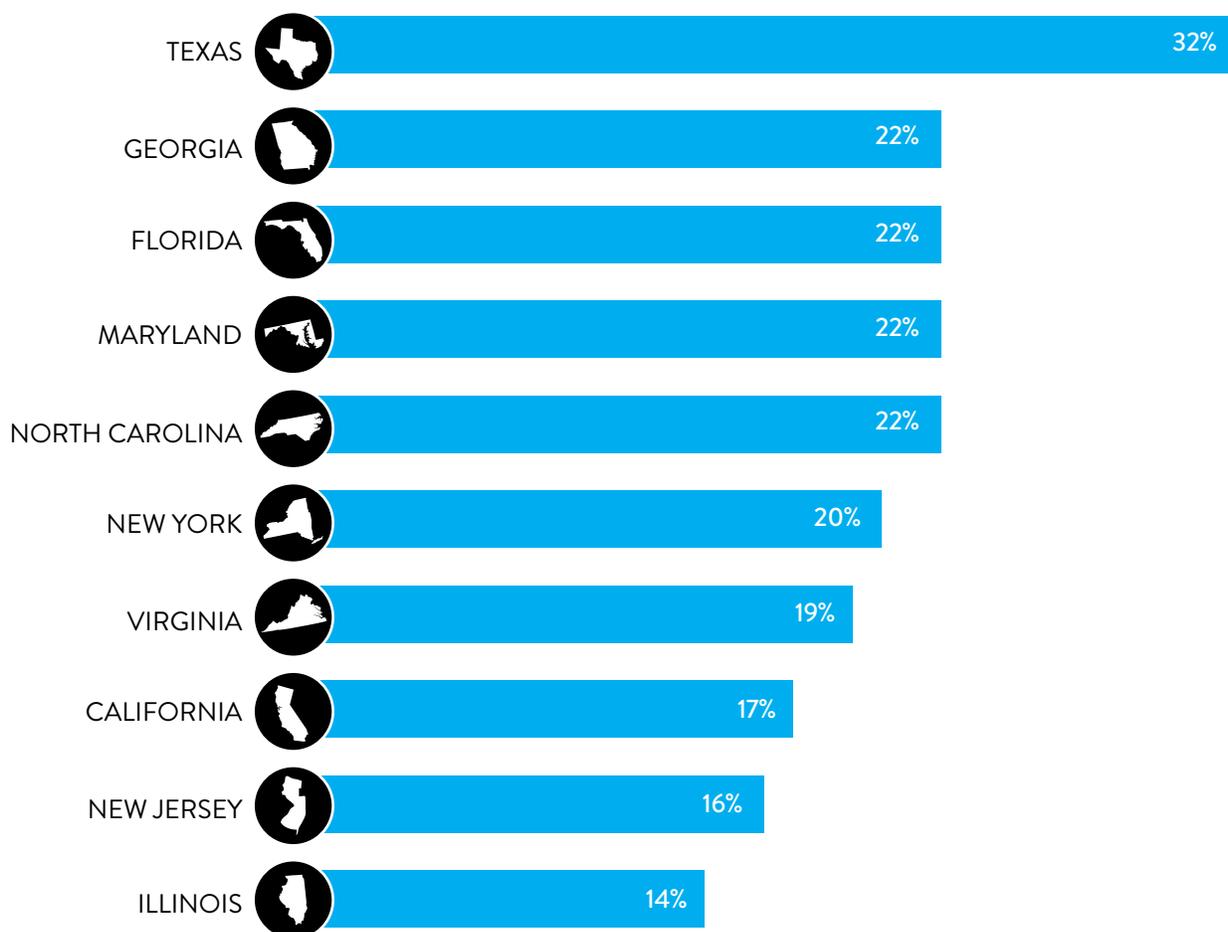
BUYING POWER GAINS AND STATE DISTRIBUTION

In 2015, African-Americans controlled \$1.2 trillion in buying power, 8.6% of the nation's total, and a 21% increase over 2010, according to the Selig Center for Economic Growth. Black buying power is expected to grow 21.6% between 2015 and 2020 (compared with 20.3% growth for the total U.S.), and to reach just over \$1.4 trillion by 2020. The gains in Black buying power reflect not only African-Americans' population growth, but also their increasing education and entrepreneurship, as well as their advancing into their peak earning years.



The states with the largest African-American buying power in 2015 were New York (\$109 billion), Texas (\$106 billion), California (\$84 billion), Georgia (\$81 billion), Florida (\$80 billion), Maryland (\$69 billion), North Carolina (\$55 billion), Virginia (\$49 billion), Illinois (\$49 billion) and New Jersey (\$42 billion), also according to Selig. These 10 states represent 62% of African-American buying power. The same states, with the exception of Georgia and Maryland, ranked (by buying power) among the top markets for all consumers. With the African-American market spread widely throughout the U.S., it is an attractive customer segment nationwide. Tremendous opportunities for geo-targeted campaigns over the next few years are especially promising in Texas, the state with the second-largest Black buying power and the highest projected growth rate of the top 10 states, at 32%.

AFRICAN-AMERICAN BUYING POWER PROJECTED GROWTH RATE—TOP 10 STATES, 2015-2020



Source: Selig Center for Economic Growth, Terry College of Business, University of Georgia, 2015.

FEELING PROUD, LOOKING GOOD AND SPENDING MORE

Personal image is highly valued and is regarded with an immense sense of pride in the African-American community. Consumer product companies have long been aware of the dedicated consumption of personal healthcare items by Black consumers. African-Americans of all ages show higher buying rates than non-African-Americans for women's fragrances, grooming aids, personal soap and bath needs, deodorant, sanitary protection, family planning, and feminine hygiene. African-Americans ages 35 and older also over-index on men's toiletries and baby needs, while those ages 18–34 also over-index on oral hygiene, skin-care preparations and hair care.

The long history of personal care spending has led many consumer products companies to offer highly-developed lines of popular African-American cosmetic, fragrance, and hair-care products that cater to the wants and needs of African-American men and women. While the wide array of product offerings for these items result in African-Americans having a lower index than the total non-African-American market on general skin care preparation and hair-care product categories (87 index and 91 index, respectively), they spend a higher percent of dollars in the booming African-American health and beauty aid categories.



AFRICAN-AMERICANS OVER-INDEX ON PERSONAL CARE SPENDING

PERSONAL CARE ITEMS INDEX – CATEGORY BUYING RATE (DOLLARS)



	AFRICAN-AMERICAN MILLENNIALS (18–34) INDEXED TO NON-AFRICAN-AMERICANS (18–34)	AFRICAN-AMERICANS (35+) INDEXED TO NON-AFRICAN-AMERICANS (35+)	AFRICAN-AMERICANS INDEXED TO NON-AFRICAN-AMERICANS
WOMEN'S FRAGRANCES	115	115	110
GROOMING AIDS	113	105	105
PERSONAL SOAP AND BATH NEEDS	146	145	143
DEODORANT	110	105	107
MEN'S TOILETRIES	98	121	128
ORAL HYGIENE	107	98	101
SANITARY PROTECTION	117	101	103
SKIN CARE PREPARATIONS	109	84	87
HAIR CARE	116	85	91
FEMININE HYGIENE	116	103	102
ETHNIC HEALTH AND BEAUTY AIDS	158	175	153

Read as: African-American Millennials, 18–34, spend 15% more on women's fragrances than their non-African-American counterparts.

Source: Nielsen Homescan, 52 weeks ending December 26, 2015.

Not surprisingly, African-Americans show a 53% higher item buying rate than non-African-Americans in this category, while older African-Americans index even higher than Millennials versus their non-African-American peers (75% higher for those 35+ versus 58% higher for 18–34 year olds). This may indicate a more pan-cultural attitude among younger African-Americans influenced by the increasing availability of alternative beauty regimens, and by consumer products companies' expanded offerings in their major product lines devoted to diverse skin tones and needs. At the same time, manufacturers of African-American health and beauty aids are also extending the consumer reach and appeal of this product category – beyond African-American consumers.



COOKING FROM SCRATCH IS VALUED, BUT SPEED AND EFFICIENCY ARE KEY

Traditional cultural recipes have been adapted over time, but their primary components have endured and are still reflected in the grocery-buying habits of African-Americans today: These shoppers buy meat (particularly a variety of pork and poultry cuts), seafood, greens, cabbage, and green beans, at a higher rate than non-African-Americans. Black Millennials and older Black generations have similar purchasing patterns for fresh food items, however, there are a few items that stand out for the younger shoppers when compared to total African-Americans. Black Millennials buy 56% more fresh green beans and 8% more fresh chicken than total African-American shoppers.

AFRICAN-AMERICANS OF ALL AGES HAVE SIMILAR PURCHASING PATTERNS FOR FRESH FOOD ITEMS



YOUNGER AND OLDER AFRICAN-AMERICANS HAVE SIMILAR FRESH FOOD TASTES

ITEM BUYING RATE (DOLLARS)



	AFRICAN-AMERICAN MILLENNIALS (18-34) INDEXED TO NON-AFRICAN-AMERICANS (18-34)	AFRICAN-AMERICANS (35+) INDEXED TO NON-AFRICAN-AMERICANS (35+)	TOTAL AFRICAN-AMERICANS INDEXED TO NON-AFRICAN-AMERICANS
TOTAL PERISHABLES	89	102	100
TOTAL FRESH VEGETABLES	99	100	85
FRESH GREEN BEANS	156	90	116
FRESH CABBAGE	90	101	117
FRESH GREENS	94	101	123
TOTAL FRESH MEAT	86	103	108
TOTAL FRESH BEEF	91	102	81
TOTAL FRESH PORK	76	104	122
TOTAL FRESH MEAT OTHER THAN BEEF OR PORK	105	99	114
TOTAL FRESH POULTRY	101	100	125
TOTAL FRESH CHICKEN	108	99	119
TOTAL FRESH TURKEY	87	102	118
FRESH SEAFOOD	81	103	117

Read as: African-American Millennials buy 56% more fresh green beans than the total non-African-American Millennial population.

Source: Homescan Total Shopper View, 52 weeks ending December 26, 2015.

In terms of item buying rate, African-American Millennials and older Black generations over-index against non-African-Americans on additional items used in “from-scratch” cooking such as: shortening and oil; spices, seasonings, and extract; sugar and sugar substitutes; syrups and molasses; baking mixes; unprepared frozen meat and seafood, and dry vegetables and grains.

African-Americans also buy baby food, frozen vegetables, bottled water, and both refrigerated and shelf-stable drinks and juices at a higher rate than non-African-Americans. Also, African-American Millennials buy cookies and ice cream cones at a higher rate than their non-African-American counterparts, perhaps indicating a higher presence of young children in the home or just a preference for sweets.

A GLANCE INSIDE AFRICAN-AMERICANS' SHOPPING CARTS



CATEGORY BUYING RATE INDEX (DOLLARS)

	AFRICAN-AMERICAN MILLENNIALS (18-34) INDEXED TO NON-AFRICAN-AMERICANS (18-34)	AFRICAN-AMERICANS (35+) INDEXED TO NON-AFRICAN-AMERICANS (35+)	TOTAL AFRICAN-AMERICANS INDEXED TO NON-AFRICAN-AMERICANS
BABY FOOD	128	134	133
CANNED SEAFOOD	117	107	106
SHORTENING/OIL	131	125	126
SPICES/SEASONING/EXTRACT	118	135	130
SUGAR/SUGAR SUBSTITUTES	123	115	118
BAKING MIXES	109	87	93
DRY VEGETABLES & GRAINS	134	134	131
SHELF STABLE JUICES AND DRINKS	136	127	132
BOTTLED WATER	119	114	119
REFRIGERATED JUICES AND DRINKS	144	122	121
PACKAGED MEAT DEPARTMENT	98	108	107
TABLE SYRUPS/MOLASSES	136	98	106
COOKIES/ICE CREAM CONES	109	85	90
FROZEN FOOD DEPARTMENT	106	94	93
PREPARED FROZEN FOODS	105	92	91
UNPREPARED FROZEN MEAT AND SEAFOOD	151	139	137
FROZEN VEGETABLES	112	114	113

Read as: African-American Millennials spend 28% more on baby food than their non-African-American counterparts.

Source: Nielsen Homescan 52 weeks ending December 26, 2015. Categories chosen because of highest index.

African-American Millennials and those 35 and older have similar attitudes towards cooking and dining. Almost three-quarters of both age groups say that during a given week, they frequently cook meals. Both groups also plan their dinners ahead of time and like to cook with fresh ingredients.

Busy African-Americans, however, are on the go and also need convenient meal solutions. More than half of African-American Millennials agree that frozen dinners are a convenient alternative for a meal, and that they often eat meals on the run. In fact, like most Millennials (91%), 92% of African-American Millennials say they have visited a quick-service restaurant in the past 30 days. This tendency towards expedience and convenience explains why African-Americans over-index against non-African-Americans for unprepared frozen meat and seafood and frozen vegetables.* Combining African-Americans' desire for fresh foods and a need for speed, there is a clear opportunity for innovation and new product development in the convenient healthy eating space.

*Source: Nielsen Homescan 52 weeks ending December 26, 2015.

ATTITUDES TOWARD COOKING AND DINING

PERCENT WHO SAY THEY COMPLETELY AGREE OR SOMEWHAT AGREE

AFRICAN-AMERICAN MILLENNIALS (18-34)	AFRICAN-AMERICAN MILLENNIALS (18-34) INDEXED TO TOTAL POPULATION (18-34)	AFRICAN-AMERICANS (35+)	AFRICAN-AMERICANS (35+) INDEXED TO TOTAL POPULATION (35+)
DINNERS IN MY HOME ARE USUALLY PLANNED AHEAD OF TIME			
65%	103	62%	97
DURING A GIVEN WEEK, I COOK MEALS FREQUENTLY			
72%	98	72%	98
PREFER COOKING WITH FRESH FOOD RATHER THAN CANNED OR FROZEN			
72%	95	75%	97
FROZEN DINNERS ARE A CONVENIENT ALTERNATIVE FOR A MEAL			
54%	105	50%	107
OFTEN, I EAT MY MEALS ON THE RUN			
58%	116	44%	117

Source: Nielsen Scarborough USA+ 2015 Release 2 (August 2014–October 2015).

HIGH-FREQUENCY SHOPPING CHANNELS

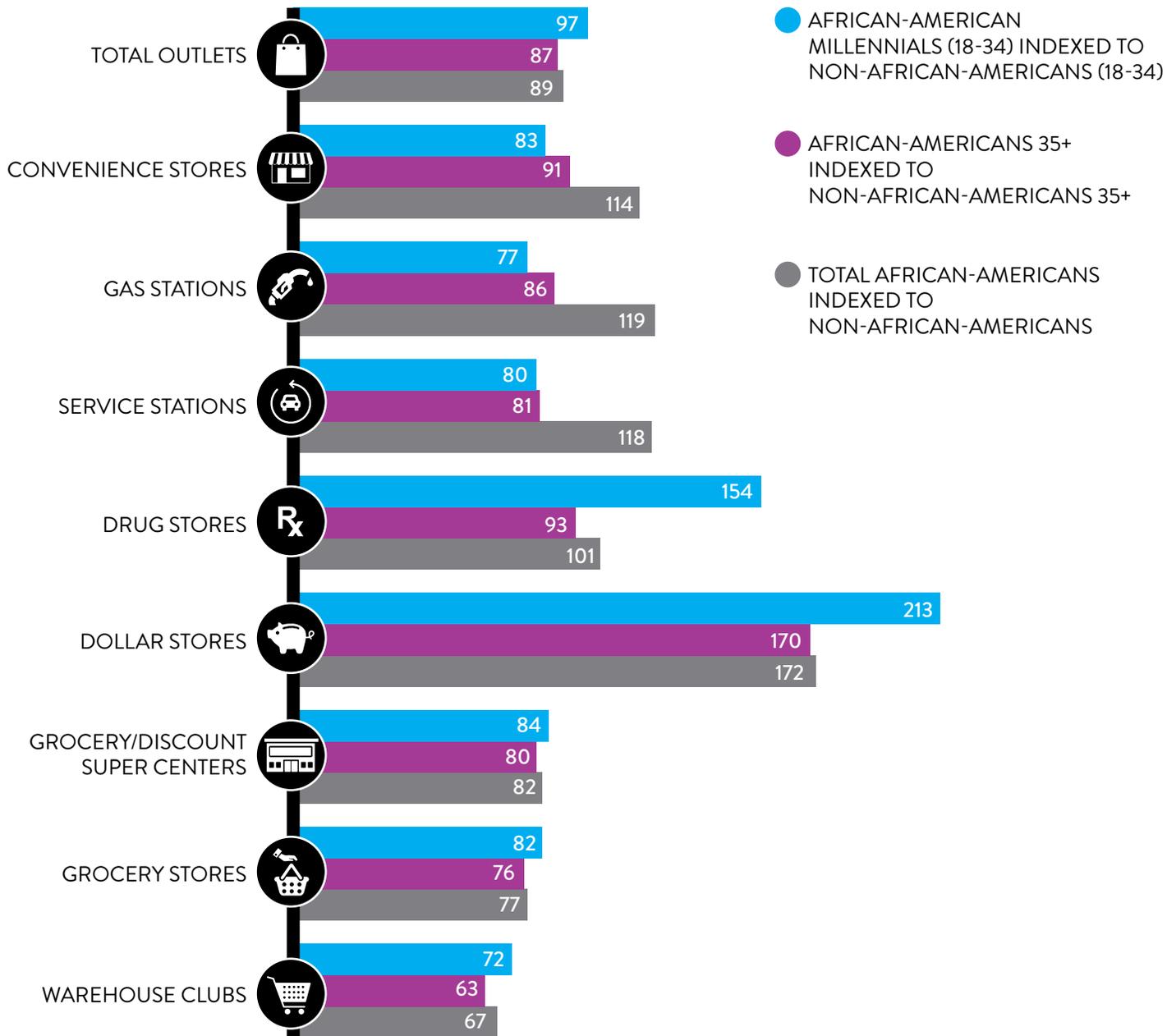
When it comes to how African-Americans shop, those ages 35 and older shop 23% more frequently than their younger counterparts, while Black Millennials have a 14% higher purchase size (dollar volume) than older consumers. As Millennials spend more but make less trips to the store, they may be looking for shopping experiences that streamline their busy life styles.

Convenience and price often dominate African-Americans' shopping decisions, so it is no surprise that while they under-index for the amount spent in stores overall, they collectively over-index against the total population for shopping at convenience stores, gas and service stations, and dollar stores. This is not always about preference, as in many African-American neighborhoods, these are the closest store options available. Black Millennials also over-index against their total population counterparts for shopping at drug stores and dollar stores at a significant rate (54% more and 113% more, respectively).



AFRICAN-AMERICAN SHOPPING CHANNEL FREQUENCY

TOTAL BASKET RING DOLLAR INDEX PER SHOPPER AT A RETAILER



Source: Nielsen Homescan, 52 weeks ending December 26, 2015.

PURCHASE INFLUENCERS

African-Americans of all ages agree that media advertising across platforms provides them with meaningful or useful information. When looking for information about bargains, most African-Americans think TV provides the most meaningful information, and their secondary sources show the distinction among the age groups. After TV, African-American Millennials turn to the internet for information about bargains, while African-Americans age 35 or older turn to newspapers.

Compared to their total population counterparts, both African-American Millennials and African-Americans 35 or older are more likely to agree that advertising on mobile phones provides useful information about bargains.

ADVERTISING PROVIDES USEFUL INFORMATION ABOUT BARGAINS

PERCENT WHO SAY THEY COMPLETELY AGREE OR SOMEWHAT AGREE

AFRICAN-AMERICAN MILLENNIALS (18-34)	AFRICAN-AMERICAN MILLENNIALS (18-34) INDEXED TO TOTAL POPULATION (18-34)	AFRICAN-AMERICANS (35+)	AFRICAN-AMERICANS (35+) INDEXED TO TOTAL POPULATION (35+)
ADVERTISING IN MAGAZINES			
39%	122	41%	113
ADVERTISING IN NEWSPAPERS			
39%	102	53%	98
ADVERTISING ON MOBILE PHONES			
33%	142	24%	162
ADVERTISING ON RADIO			
40%	114	39%	116
ADVERTISING ON INTERNET			
43%	110	36%	117
ADVERTISING ON TV			
48%	120	55%	124

Source: Nielsen Scarborough USA+ 2015 Release 2 (August 2014–October 2015).

Sixty-two percent of African-Americans say they buy based on quality, not price, 77% say that when they find a brand they like, they stick to it, and 66% say that if a product is made by a company they trust, they'll buy it even if it is slightly more expensive. But price is still a deciding factor in many African-Americans' purchasing decisions. More than half (53%) say they will gladly switch brands to use a coupon and 62% agree that if generic brands are on sale, they will purchase store brands or private labels over their usual name-brand. Seventy percent agree that generic or store brand products are as effective as brand-name products, which is an attitudinal shift from what has been reported in previous reports. Brands should be aware of this new reality for African-American shoppers and should no longer rely too heavily on historical notions of brand loyalty.

Relative to the total market, both groups over-index for agreeing that their purchases are influenced by a variety of other factors (other than price), including celebrity endorsement, what's hot, what their parents bought, what their friends and neighbors approve of, what image it conveys and name brands.



FACTORS THAT INFLUENCE WHAT AFRICAN-AMERICANS BUY

PERCENT WHO SAY THEY COMPLETELY AGREE OR SOMEWHAT AGREE

AFRICAN-AMERICAN MILLENNIALS (18-34)	AFRICAN-AMERICAN MILLENNIALS (18-34) INDEXED TO TOTAL POPULATION (18-34)	AFRICAN-AMERICANS (35+)	AFRICAN-AMERICANS 35+ INDEXED TO TOTAL POPULATION (35+)
A CELEBRITY ENDORSEMENT MAY INFLUENCE ME TO CONSIDER OR BUY A PRODUCT			
41%	147	29%	159
I AM INFLUENCED BY WHAT'S HOT AND WHAT'S NOT			
49%	129	37%	135
I BUY BRANDS THAT REFLECT MY STYLE			
64%	100	62%	102
I BUY THE BRANDS I GREW UP WITH, THE ONES MY PARENTS USED			
58%	113	53%	114
I EXPECT THE BRANDS I BUY TO SUPPORT SOCIAL CAUSES			
38%	104	41%	114
I PREFER TO BUY THINGS MY FRIENDS OR NEIGHBORS WOULD APPROVE OF			
38%	113	28%	122
I WOULD PAY EXTRA FOR A PRODUCT THAT IS CONSISTENT WITH THE IMAGE I WANT TO CONVEY			
52%	114	48%	124
I ONLY BUY FOOD ITEMS THAT ARE NAME-BRAND, NOT GENERIC BRANDS			
47%	136	37%	127

Source: Nielsen Scarborough USA+ 2015 Release 2 (August 2014–October 2015).

Black Millennials can also be critical brand advocates and influencers, as 45% agree that they like to share their opinions about products and services by posting reviews and ratings online (24% higher than total Millennials). Understanding the unique needs of African-American consumers and their ability to help influence the success of a brand should be a critical part of any marketing strategy.

AFRICAN-AMERICANS EXPAND THEIR WALLETS IN NEW AND TRADITIONAL WAYS

- 

With the African-American market spread widely throughout the U.S., controlling almost \$1.2 trillion in buying power, and growing at a higher rate than the total U.S., it is in a number of ways an attractive customer segment nationwide. Gains in Black buying power reflect not only African-Americans' population growth, but also their increasing education and entrepreneurship, as well as their advancing into their peak earning years, all of which contribute to growing anticipated incomes.
- 

The long history of high personal care spending by African-Americans has led to unique product offerings, such that sales are divided between mainstream beauty products and beauty products designed specifically for the African-American market. Millennial African-Americans appear to be expanding their beauty regimen items beyond African-American specific beauty products, as consumer products' companies are broadening their general market product offerings to address the wants and needs of a more diverse population. This shift has led to an effort to include ethnic health and beauty aids in the mainstream beauty aisle, as opposed to a physical separation in stores.
- 

Millennial African-Americans and those 35 and older have similar attitudes towards cooking and dining, with both groups over-indexing for fresh traditional cultural foods items, and items used when cooking from scratch. However, although the majority of African-Americans agree that they usually plan meals ahead of time, frequently cook meals, and prefer cooking with fresh foods, they still search for convenience and often eat meals on the run. Combining African-Americans' desire for fresh foods and a clear need for convenience suggests a clear opportunity for innovation and new product development in the convenient healthy-eating space.
- 

Convenience, location and price tend to dominate African-Americans' shopping channel decisions, which is why they over-index for shopping at both the higher-priced but location-driven convenience stores and gas and service stations, as well as at the price-driven dollar stores. Millennial African-Americans spend more per trip but make fewer trips to the store than African-Americans 35 and older. Grocery stores, discount super-centers, and warehouse clubs have an opportunity for growth in this market if they can offer convenient alternatives to the smaller stores.
- 

In general, African-Americans are more receptive to information via any form of media than the total population. However, African-Americans find that advertising on TV provides the most meaningful or useful information, while penetration of mobile phones offer an opportunity for digital connections.
- 

Though the majority of African-Americans claim to be brand-loyal, quality-based shoppers, price, sales, and coupons are still deciding factors for most. African-Americans over-index for other factors influencing purchase decisions including celebrity endorsement, what's hot, what reflects their personal style, what their parents bought, supporting social causes, what their friends and neighbors approve of, and the image conveyed. Since Black Millennials over-index for sharing their opinions about products and services by posting reviews and ratings online, there is an opportunity to leverage these brand advocates to influence others.

SECTION IV

REACHING HIGHER—BUILDING ON RECENT GAINS

BUILDING ON THE
LEGACY OF AMERICA'S
FIRST AFRICAN-
AMERICAN
PRESIDENCY

As eight years of Barack Obama's historic presidency come to a close, African-Americans are invested in continuing to pursue economic and political gains, as well as advancing equality and rallying awareness about social justice issues. African-American Millennials, in particular, have been leaders in leveraging social media, mobile, and live video streaming to take control of the social issues narrative and to rally growing support through grassroots efforts from many who are witnessing their concerns and grievances with much more immediacy than before. This utilization of technology to effect social and civic change is a manifestation of growing, grassroots political involvement in the African-American community.

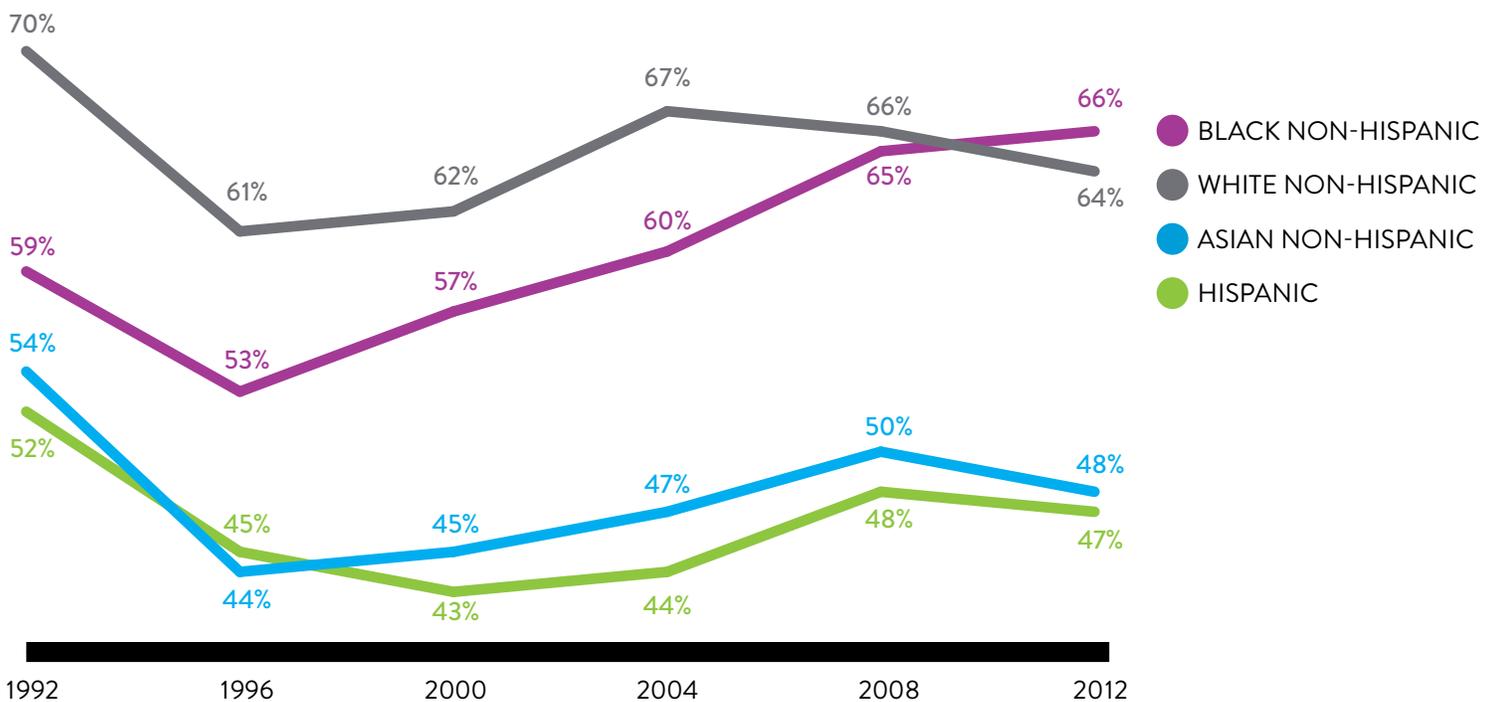
In 2012, for the first time in American history, African-Americans had the highest rate of voter registration and election turn out of all races, surpassing non-Hispanic Whites in election turnout at 66% versus 64%. Just under 29 million African-Americans over the age of 18 are eligible to vote; they represent 13% of U.S. eligible voters and are growing at a rate of 3.7% every two years.

Black voter turnout has steadily increased over the last three decades, and because the right to vote was so hard-won, many in the Black community view not voting as irresponsible.



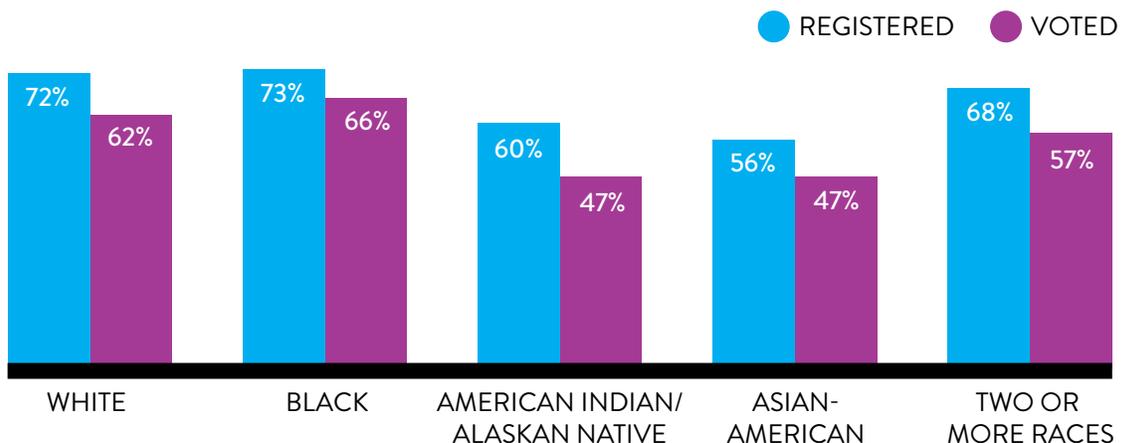
PERCENT OF CITIZENS WHO VOTED IN PRESIDENTIAL ELECTIONS, 1992 - 2012

IN 2012, FOR THE FIRST TIME IN AMERICAN HISTORY, AFRICAN-AMERICANS HAD THE **HIGHEST RATE OF VOTER REGISTRATION** AND ELECTION TURN OUT OF ALL RACES



Source: U.S. Census: Historical Reported Voting Rates, Table A-1. Hispanic includes those of all races who identify as Hispanic.

2012 ELIGIBLE VOTERS, BY RACE

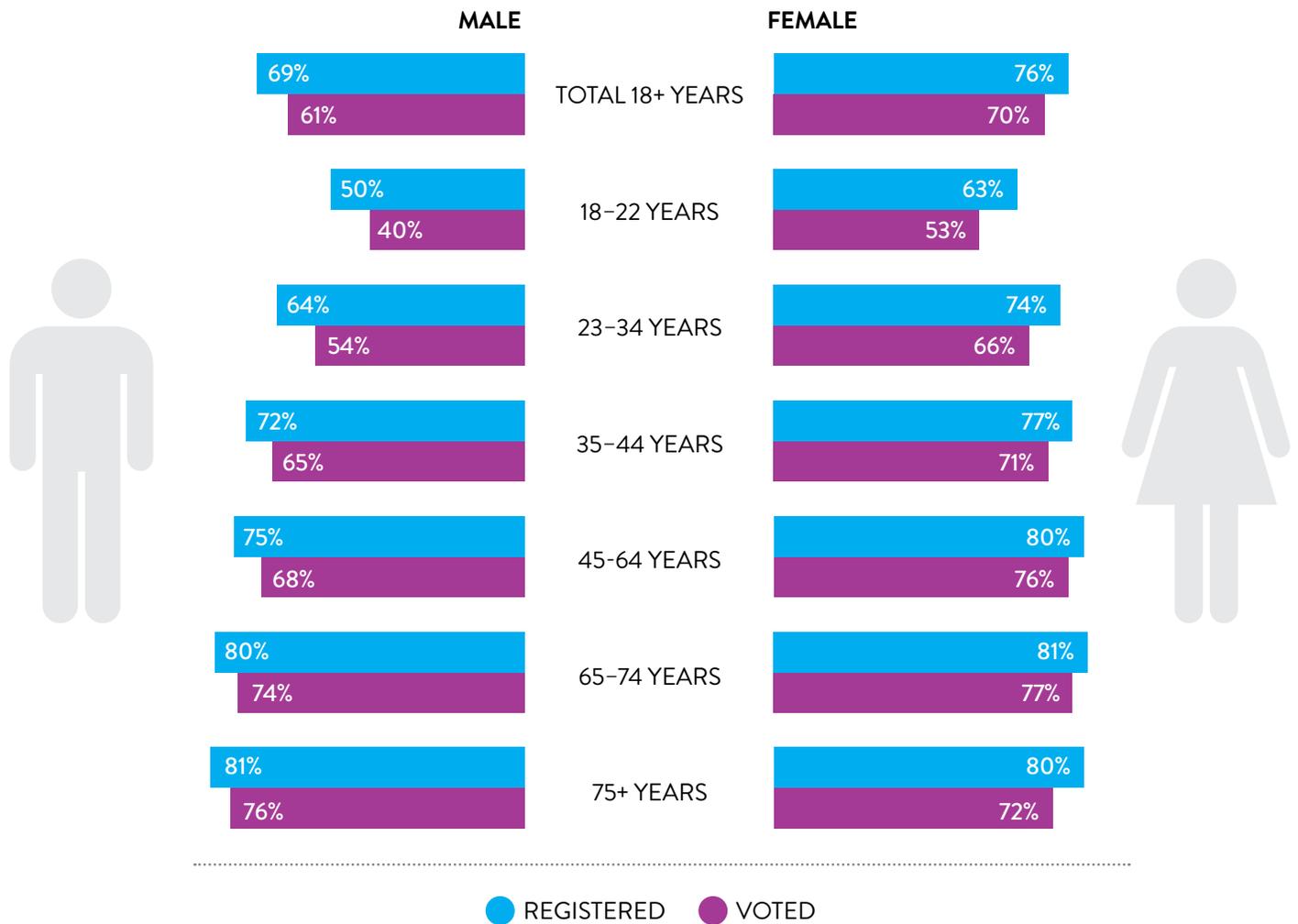


Source: U.S. Census Bureau, 2012 American Community Survey, 1-year estimates.

ELIGIBLE VOTERS

In 2014, 55% of eligible Black voters were female, and for every age group, there were significantly more Black females eligible to vote than males. Black females were also more likely to register (76%) and to vote (70%) in the 2012 presidential election than were Black males (69% and 61%, respectively). For both genders, the older the age group (up to age 75), the more likely the person was to register and to vote. In total, 73% of eligible African-Americans registered to vote in 2012 and 66% voted, representing the highest rates of registration and voter turn-out of all the races.

ELIGIBLE AFRICAN-AMERICAN VOTERS, 2012

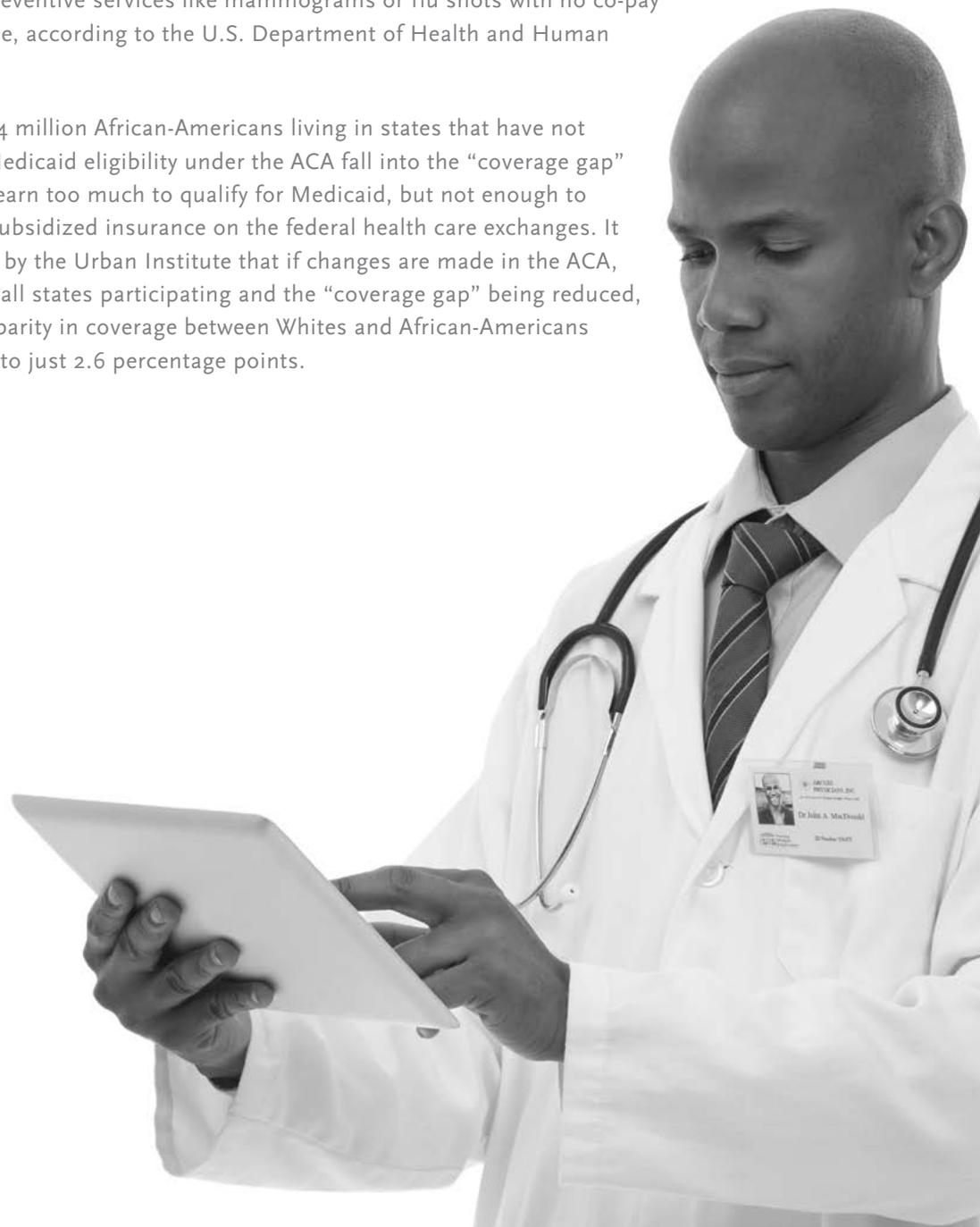


Source: U.S. Census Bureau, 2012 American Community Survey, 1-year estimates.

HEALTHCARE GAINS

One of the undeniable legacies of the last eight years is the increase in insurance coverage for the Black community: 2.3 million African-Americans (ages 18–64) gained health insurance coverage through the Affordable Care Act (ACA), lowering the uninsured rate among African-Americans by 9.2 percentage points, from 22.4% in the first quarter of 2012 to 13.2% in the first quarter of 2015. Additionally, more than 500,000 African-American young adults between the ages of 19 and 26 who would otherwise have presumably gone uninsured gained coverage under their parents' plan prior to 2012, and 7.8 million African-Americans with private insurance gained access to preventive services like mammograms or flu shots with no co-pay or deductible, according to the U.S. Department of Health and Human Services.

However, 1.4 million African-Americans living in states that have not expanded Medicaid eligibility under the ACA fall into the “coverage gap” where they earn too much to qualify for Medicaid, but not enough to qualify for subsidized insurance on the federal health care exchanges. It is projected by the Urban Institute that if changes are made in the ACA, resulting in all states participating and the “coverage gap” being reduced, that the disparity in coverage between Whites and African-Americans would drop to just 2.6 percentage points.



OPTIMISM ABOUT THE FUTURE

According to a March 2016 Harris Poll Survey, despite what many perceive as a growing lack of faith in the system as a whole, African-Americans are more optimistic than any other segment about the future of the country: 49% of African-Americans say the country is headed in the right direction versus only 45% of Hispanics, 42% of Asian-Americans and 23% of Whites.

While there is optimism about the future, many feel there is still more work to be done. According to a July 2016 Harris Poll Survey, significant percentages of African-Americans say there is a need in their communities for more affordable housing (53%), affordable quality healthcare (52%), affordable childcare (42%), affordable college (42%) and affordable healthy food (39%).

Nevertheless African-Americans, particularly young African-Americans, over-index for being aspirational: 67% of all African-Americans and 74% of Black Millennials agree that they often find themselves in a leadership position (13% and 14% higher than the total population, respectively) and 41% of all African-Americans and 48% of Black Millennials agree that they strive for a high social status (35% and 21% higher than the total population, respectively).

This optimism translates to the workplace, as 60% of all African-Americans and 73% of Black Millennials say their goal is to make it to the top of their profession (36% and 23% higher than the total population, respectively). With increasing opportunities, societal-leading civic participation, and expanding power of the wallet, African-Americans, particularly the empowered Millennial generation, will continue to shape American society in new and progressive ways for many years to come.

AFRICAN-AMERICANS ARE ASPIRATIONAL ABOUT THE FUTURE



African-American voter turnout has steadily increased over the last three decades and in 2012, African-Americans had the highest rates of both voter registration and voter turn-out of any racial or minority group surpassing non-Hispanic White voters. They are an important demographic with a powerful and influential voice to effect change.



African-Americans show the most optimistic and upward aspiration of all racial groups, but there remains ongoing concerns about employment, the remaining healthcare coverage gap, racial discrimination and social injustices, affordable education, childcare and housing.



To effectively reach African-American consumers, a multi-media approach is necessary as older African-Americans engage more heavily with TV and radio, while Black Millennials are also connected through social media, mobile, and live video streaming.

CONCLUSION

African-Americans are a unique and vital multicultural consumer group in the U.S. With rich, deeply rooted traditions, Black consumers have been the drivers of mainstream cultural influence in a myriad of industries. The Diverse Intelligence report series on African-American consumers has highlighted the impact of this influential consumer segment and strives to assist advertisers and manufacturers alike to understand how to effectively market their products and services to African-American consumers.

As business executives look for opportunities to grow their businesses and gain market share, it is critical to measure and evaluate the opportunities. As the population of the U.S. becomes more ethnically diverse, the complexity of the effort has grown. To help close the gap and give insight with regard to how to address the needs of the growing diverse base, Nielsen has provided these reports to better illustrate the unique qualities of the African-American community, the business opportunities that exist, and the best methods for a productive and successful connection.

These reports have not only highlighted the unique media consumption and purchasing habits of African-Americans, but they have also covered important issues that reflect the fabric of the African-American community. By exploring African-American consumers holistically, these reports serve a compass for detailed campaigns to better reach and engage them in ways that are memorable and impactful.

METHODOLOGIES

Insights used in this report were sourced from the following Nielsen analytical tools and solutions. All tools offer their own representative levels of consumer insights and behavior across African-American, non-Hispanic White and/or total population respondents (based on data collection, survey/panel design and/or fusion approaches).

Homescan Panel Data: The Homescan national panel consists of a randomly dispersed sample of households that is intended to be representative of, and projectable to, the Total U.S. market. Panel members use handheld scanners to record items with a UPC code purchased from any outlet. For Nielsen Total Homescan Shopper View, panelists scan from a code book for fresh items rather than a UPC Code. Data for this report is based on Homescan panel data from the following period: 52 weeks ending, December 26, 2015.

Nielsen Scarborough USA+ 2014 Release 2, GfK/MRI Attitudinal Insights Module August 2014–October 2015: (Base: Age of respondent summaries: Adults 18+ – Projected 242,977,984, Respondents: 203,921) By integrating 400+ attitudinal statements and segmentations with Nielsen Scarborough's syndicated data set, this analysis reflects consumer psychographics in the studied categories.

Nielsen NPOWER: Audience estimates based on a nationally representative panel of people whose televisions are metered with a device called the National People Meter (NPM), which passively detects exposures to codes embedded in content. A comprehensive questionnaire is also collected of the panel.

Nielsen 360 Gaming Report, 2015

Data collection:

Annual data for the Nielsen 360° Gaming Report is collected via consumer online surveys in Q1 of each year* using Nielsen's proprietary, high-quality ePanel in the United States. (*Previous survey methodology fielded two waves, Q4 and Q1 to capture pre and post holiday metrics.)

Groups Sampled:

Teens/adults Age 13+: 2000+ interviews among 50% male/50% female sample.

Representativity:

Post-survey, raw data is weighted to ensure representation of the U.S. general population based on U.S. Census data.

The Harris Poll

This Harris Poll was conducted online, in English, within the U.S. March 16–31, 2016 among 2,236 adults and in July 14–27, 2016 among 2,463 adults. Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, The Harris Poll avoids the words “margin of error” as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Poll surveys. The data have been weighted to reflect the composition of the adult population. Because the sample is based on those who agreed to participate in our panel, no estimates of theoretical sampling error can be calculated.

Nielsen Ad Intel

Nielsen Ad Intel is a comprehensive source of advertising intelligence that can track the full range of competitive advertising activity. It monitors the media landscape—across 18 different media types and throughout all 210 Nielsen Designated Market Areas (DMAs).

Media coverage includes the following:

- Network TV
- Syndication TV
- National Cable TV
- Spanish-Language Network TV
- Spanish-Language Cable TV
- Spot TV
- Spot Radio
- Network Radio
- National Consumer Magazines
- Local Magazines*
- National Newspapers
- Local Newspapers
- Local Sunday Supplements
- National Sunday Supplements
- Outdoor
- Coupons*
- Internet

*Exclusive media type

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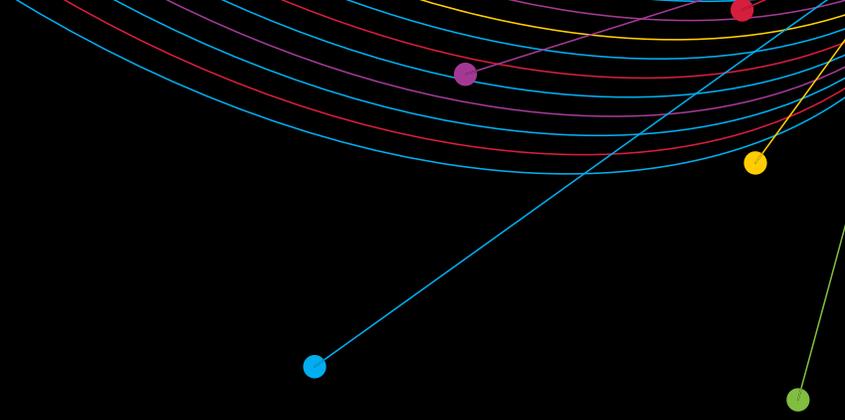
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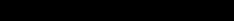
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