

## FINANCIAL INSIGHTS: THE AFRICAN-AMERICAN MARKET

### FOR MORE INFORMATION

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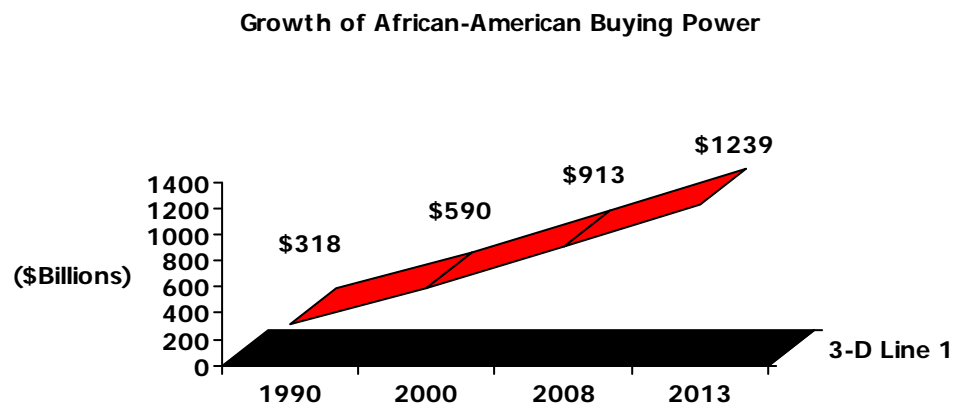
### PROJECT DELIVERABLES and KEY DATES

**Project Report  
Available Now!**

- **Attitudes and Expectations**
- **Provider Issues -- Loyalty and Fragmentation**
- **Product Profile & Marketing Strategies**

### Key Industry Statistics:

According to the U.S. Census, African-Americans represent one of the largest minority groups at 13% of the total population. In addition, the buying power of African-American households is projected to reach \$1.2 trillion by 2013, according to the Selig Center for Economic Growth.



(Source: Selig Center for Economic Growth,  
University of Georgia)

### Research Issues

The African-American market represents an often overlooked opportunity for financial institutions. African-Americans are one of the largest racial groups in the United States and the segment is projected to grow almost 34% by 2011, compared to 18.5% for whites and 25.4% for the total U.S. population. According to the U.S. Census, this market currently represents 13% of the population, or 38.6 million. Not only is this group growing in numbers, but their buying power is also increasing. African-American purchasing power has been projected to reach \$1.2 trillion by 2013, according to the Selig Center for Economic Growth. African-American households with annual incomes of \$75,000 or more are now 14% of this group. This growth in buying power and affluence can be attributed to rising education levels, employment success, and growing entrepreneurship. So, it is no wonder that many financial industry experts say it is important for providers to design and implement programs targeting this market. Strategies will need to address how African-American consumers differ in terms of attitudes, approach to savings and investments, credit usage, card products, and usage of financial advisors. Is this group more comfortable dealing with African-American advisors and representatives when it comes to money matters? To what extent are they using African-American-owned institutions, as well as alternative financial providers such as check cashing centers to fulfill their financial needs?. How important is advertising through African-American media channels? What are the barriers to adoption of banking services? What sub-segments in this market represent key target groups? Does this group's usage of delivery channels or technology differ from the general population? Do they represent strong users of the Internet and mobile applications? How has this group been affected by

the current economic environment? Providers have many questions to answer to compete effectively for a share of the African-American market, and SYNERGISTICS new report will help providers to understand the perspective of this important market segment. [F172]

## Research Description and Methodology

This study examines the attitudes and financial services profile of the African-American market. The report also examines issues related to marketing and delivering financial services to this important segment.

- National Online Survey – 1,000 consumers age 18 or older – 800 with African-Americans and 200 with the general population for comparison purposes.

## Strategic Questions

- What is the financial profile of African-Americans? To what extent are depository products and services being used? Does the investment orientation of African-American consumers differ from the general population? What is their approach to retirement planning?
- What is the reaction of this segment to the current economic environment? What are their greatest concerns and goals going forward?
- What credit services are being used? What is their attitude toward using credit, and does it differ from the general population? Which card products are being used by the African-American market – credit cards, pre-paid cards, or debit cards? Are secured cards right for this market?
- What are the attitudes of African-American consumers toward banks – is there a trust issue? What types of financial providers are being used? Are they more comfortable dealing with African-American financial advisors?
- Are African-American customers using automated delivery channels such ATMs, voice response, and online banking? And if so, what activities are being performed? What delivery channels, including the branch, are preferred? Is this group a key target for mobile applications? Does this group use African-American owned financial institutions? Are check cashing facilities and other alternative providers being widely used?
- What marketing channels will be most effective in reaching the African-American market – print media, radio, television, direct mail, telemarketing, or the Internet? How important is it that marketing messages be through African-American media channels?
- Should African-American consumers be approached as a single market, or are there segments within the group for which strategies and tactics must be tailored?

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