

# New Perspectives



## Rallying the Power of Diversity for Exponential Business Results

by Miriam Muléy

American women have never looked so good! From full-figured to slim and muscular bodies, from ivory to tan, olive, and warm chocolate skin tones, from tightly curled short coifs to neatly corn-rowed braids to long, loosely waved or silky-straight hair, from high cheekbones to sculpted necklines, the American woman of today is more beautiful, confident and accomplished than ever before. *Diversity* is driving the changing demographic landscape of America, re-defining the importance of women as decision-makers in the retail buying market, in the workplace, and as entrepreneurs, and creating an unprecedented opportunity for corporations to achieve exponential business results through inclusive and integrated business strategies that target diverse consumers for the incremental sales and earning opportunities that they represent.

With almost 47,000,000 females, or 31.9 percent, of the U.S. female population of non-European descent, the “bronzing” of America as we know it today has resulted in a redefinition of American beauty standards and a reexamination of what women want in products, in services, and in the workplace. Consider the facts: 13.0 percent of the U.S. female population is Latina (primarily Mexican, Central/South American, Puerto Rican, Cuban, Dominican), 12.6 percent are Black or African descended (African-American, Caribbean, Central/South American, African), 4.0 percent are Asian (Chinese, Filipino, Asian Indian, Korean, Vietnamese or Japanese), 1.4 percent are considered bi-racial or multi-racial, and 0.9 percent are Native American.

Consider also the exponential growth rate of diverse women, projected to be *nearly 50 percent* of the female population by

2050, and the business implications associated with reaching this “new American woman.” New product development efforts, workforce recruitment, retention and training programs, and marketing strategies must be re-assessed to ensure a strong cultural connection with Latina, Black and Asian women. Brands—whether they are consumable products or services—are experienced through the lens of this cultural identity. Advertising, product concepts, package design, promotional messages and selling strategies are either understood, or misunderstood, through this filter.

graduates and 200 Black female graduates for every 100 Black male graduates by 2010 (Source: David Brooks, “Mind Over Muscle,” *New York Times*, October 16, 2005). A full 44 percent of all Asian Americans over 25 have graduated from college, compared to 27 percent for the U.S. population. And, thanks to steady gains in educational attainment among Latinos, 84 percent of all U.S. born Hispanics complete high school, which is comparable to the 90 percent levels experienced among the general population. In today’s tight labor market, corporations must attract enough talent and human resources to sustain their

RACE/ETHNICITY TRENDS BY GENDER: 2004-2050						
Race/Ethnicity (Females)	2004	2010	2020	2030	2040	2050
Hispanic Origin*	19,100,000	21,899,000	27,683,000	34,255,000	41,593,000	49,417,000
African American/Black	18,720,000	20,944,000	23,402,000	25,892,000	28,421,000	30,821,000
Asian/Pacific Islanders	6,027,000	8,051,000	10,348,000	13,137,000	16,415,000	19,785,000
Native Amer/Alaskan	1,323,000	1,428,000	1,624,000	1,823,000	2,030,000	2,231,000
Female Population	147,000,000	153,183,000	166,071,000	179,767,000	193,436,000	206,640,000

\*Persons of Hispanic origin may be of any race. Approximately 42 percent are of mixed racial heritage.  
Source: U.S. Census Bureau, National Projections, Middle Series.

Some major geographic markets already reflect the *huge shift* in American demographics that is predicted on a national level: New York, Florida, Texas, California and Illinois are among the top five geographic locations for diverse consumers today, with 50 percent of California’s population currently reported as diverse. Other states are beginning to see the emergence of a diverse Latino population: between 1980 and 2000, the Hispanic population of Nebraska, Georgia and Washington grew at a rate of 200 percent (Source: Pew Hispanic Center, 2004).

Added to these compelling facts, which support diversity as a business imperative both on a local and national basis, is the growing economic buying power and educational attainment of diverse consumers. African Americans’ buying power in 2004 was \$723 billion and, within the next three years, or by 2009, it is projected to rise to \$965 billion. Black women account for almost half of this disposable income—*larger than any other ethnic female group*. As of 2004, Hispanic buying power was estimated at \$686 billion, with a projection to *exceed \$1 trillion by 2009*. Asian Americans—although only 4.1 percent of the population—have the *highest household income* of all diverse groups and represent an economic buying power of \$244 billion. Both Latina and Asian women represent roughly one-third of the buying power for their respective groups (Sources: Selig Center for Economic Growth; Package Facts).

The advancement of diverse women in the educational system will continue to swell the numbers of highly qualified and highly motivated individuals entering the workforce and ultimately lead to even higher levels of purchasing power and affluence. According to the Department of Education, there will be 142 female college graduates for every 100 male

### Latina Women

- Represent 19.3 MM females
- Grew 4x faster than the U.S. population
- 70% are of Mexican ancestry, 30% are Central/South American or from the Caribbean (Puerto Rico, Cuba, Dominican Republic). 45% are foreign-born; 55% are U.S. born
- Account for one-third of Hispanic spending power
- Are increasingly well educated. 84% of all U.S. born Latinos have a H.S. diploma compared to 90% of Americans
- Represent heavy users of beauty products
- Purchase more than 520,000 new cars and trucks—annually
- 27% are aged 15-29 vs. 20% of all females—a prime age for many brand purchases
- Over 42.5% of U.S. Latinos view themselves as “racially mixed.” At least 2% are African descended.
- 12.6 million Latinos use the Internet; 40% of all Latino households own a computer (vs. 56.6% of U.S.)

growth. Diverse women, and women in general, whose styles are more collaborative, represent excellent candidates for these positions—whether as managers or as sales consultants/micro-entrepreneurs in the direct selling channel.

There is no question that the “face” of the American woman has changed and will continue to evolve to represent a dynamic multiplicity of ethnicities, cultures and lifestyles. With this information and the magnitude of the diversity opportunity presented, *what will you do as a leader in the direct selling industry?* Will you “sit on the fence” and let the market continue to grow in size and influence, missing the opportunity to tap into lucrative incremental sales? Will you let your competitors get the edge and establish a brand relationship with Latina, Black and Asian women that positions them as first choice among these consumers? Or, will you step back and take a close and careful look at your business model to ensure that you have an integrated strategy in place to grow diversity sales? Will you look at the makeup of your sales force? Are women of color adequately represented in your management ranks? How do your products stack up to the needs of diverse women—in beauty, health, fitness, giftable items and more? What changes

### Black Women

- Represent 12.6% of the U.S. female population
- 92% report themselves as African-American; the remaining 8% are from the Caribbean, Central/South America and Africa
- Account for 48% of all disposable income among African Americans
- There are more than 365,000 majority owned, privately held firms by Black women in the U.S.
- The number of Black women in the workplace totaled 8.5 MM, approximately 5.8% of the labor force. By 2010 this number is expected to grow to 11.1 MM
- Drive most of the purchase decisions—nearly 60% of all auto decisions among African Americans are made by Black women vs. 44% among women in general
- Represent more than 600,000 in new car and truck sales or \$18 billion
- Report that an incorporated diversity program is an important factor when choosing a potential employer

### Asian Women:

- Represent 4.1% of the U.S. female population; 6,000,000
- Fastest growing ethnic segment; will double in size by 2020 and triple in size by 2030
- Are extremely diverse: 69% foreign-born; 31% U.S. born
- Chinese, Asian Indian, Filipino, Korean, Vietnamese, Japanese are largest
- Extremely well-educated; 44% over the age of 25 have completed college vs. 27% U.S. average
- Account for one-third of \$244 billion Asian disposable income
- Most affluent ethnic group; over 1,000,000 Asian HH earn \$75K
- Account for approximately 2% of all auto sales to Asian buyers, or nearly 300,000 new cars and trucks (\$9 billion dollars)

in your marketing communication strategies—broadcast, print and Web—are required to establish a meaningful and culturally relevant connection with this growth market? Do your philanthropic efforts include organizations that are vital to the growth of diverse consumers? Are you adequately supporting the diversity markets with the human resources and financial budgets that will allow the segments to grow? Do you have the correct compensation and reward structure in place to motivate your team to achieve business targets among diverse consumers? Indeed, do you have sales targets set for the diversity markets and do you have a system in place to track progress against these goals? The manner in which you and your company answer those questions could be the key to millions in added revenue and billions to the direct selling industry overall.

The time to act is *now*...there is still a tremendous opportunity for direct selling companies to establish and secure their edge by appealing to diverse women buyers. In so doing, you will tap into an unprecedented source of power that will continue to fuel the economic engine of America for years to come. 🌸



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