

# CLARITAS INCOME PRODUCING ASSETS INDICATORS CY FY DISTRIBUTIONS RELEASE NOTES FOR ENVISION5

## DATA VINTAGE

2019

## BASE LEVEL GEOGRAPHY

Block Group

## UPDATE FREQUENCY

Annually

## VARIABLES

15 current year

15 five year

To view the complete list of variables please visit:

[environicsanalytics.com/en-us/variables](https://environicsanalytics.com/en-us/variables)

## WHAT IT IS

Claritas Income Producing Assets Indicators were originally built as a predictive input for P\$YCLE®. This construct has been further developed as an independent proprietary model and made available as a stand-alone product in response to client demand.

Income Producing Assets (IPA) Indicators estimates the liquid assets of a household based on responses to the Claritas Financial Track survey of financial behaviors—the largest financial survey of its kind in the industry—for which there are actual dollar measures from each survey respondent. From the survey base, information for approximately 200,000 households (using a rolling three years of quarterly surveys) is used to construct balance information for a variety of financial products and services.

Strongly correlated to age and income, the Income Producing Assets Indicators model measures liquid wealth such as cash, checking accounts, savings products (savings accounts, money market accounts and CDs), investment products

(stock and mutual funds), retirement accounts and other asset classes that are relatively easy to redeem and move—and for which marketers can readily compete. The model classifies all U.S. households into one of 11 IPA ranges, with values ranging from less than \$25,000 to over \$3 million.

## WHAT'S NEW

Claritas Income Producing Assets Indicators model has been refined to use new data sources and data integration techniques. Claritas has begun using the 2016 Survey of Consumer Finances (SCF), a triennial cross-sectional survey of U.S. families conducted by the Federal Reserve Board, to adjust IPA distributions. Using the 2016 SCF, which has an oversample of wealthy families and a weighting scheme that corrects for under-coverage at top breaks, has enabled Claritas to provide accurate and stable estimates at the top of the IPA distributions. As a result, the latest update allows for unprecedented distinction and a more focused understanding of high wealth segments.

Coupling this with the addition of property-level home value, the previous \$2 million+ break has been replaced with two new breaks: \$2 million to \$3 million and \$3 million+. These additional breaks are produced by using latest 2019 Income Producing Assets models, which are developed using 2019 household estimates.

## FIVE YEAR PROJECTIONS

The five-year projections are not forecasts, but rather projections using the current-year models with Claritas' five-year projected demographic estimates. The five-year projections are applied to the demographic update for 2024 household counts in the same manner that the current-year distributions are applied to the 2019 household counts. Modeled individually for each demographic variable, these projections reflect how the Income Producing Assets distributions change over time and are adjusted for demographic estimates.

## HOW IT'S USED



Banks and financial institutions use it to understand trade areas from a liquid assets perspective.



Fundraising organizations can look for areas of where households can contribute based on available assets.



High-end retailers can identify trade areas where households with significant assets exist.

## SAMPLE QUESTIONS IT CAN ANSWER

- Where are households with significant liquid assets?
- Which areas are good opportunities for fund raising campaigns?