

Claritas Net Worth CY/FY Distributions 2024 Release Notes

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PRODUCT OVERVIEW

Claritas Net Worth Indicators Household is a proprietary Claritas model that estimates the net worth, or net financial position, of a household. It is based on responses to the Claritas Financial Track survey of financial behaviors—the largest financial survey in the industry—for which Claritas has actual dollar measures from each survey respondent. From the survey base, information for nearly 150,000 households (using a rolling three years of quarterly surveys) is used to construct balance information for a variety of financial products and services that are core to net worth.

Strongly correlated to age and income, the net worth calculation references liquid, income-producing assets (IPA), as well as fixed assets including the value of a primary residence, the cash value of insurance, collectibles, real estate, and other investments. Net worth also measures liabilities such as mortgages, auto loans, student loans, home improvement loans, credit card balances, other personal loans, and balances on other lines of credit. The net worth measure represents the net difference in a household's assets minus its liabilities.

The Claritas Net Worth Indicators model classifies all households in the United States into one of the following eleven net worth ranges, with values spanning from less than \$25,000 to over \$2,000,000:

NET WORTH INDICATOR	NET WORTH RANGE
01	Less than \$25,000
02	\$25,000 to \$50,000

NET WORTH INDICATOR	NET WORTH RANGE
03	\$50,000 to \$75,000
04	\$75,000 to \$100,000
05	\$100,000 to \$150,000
06	\$150,000 to \$250,000
07	\$250,000 to \$500,000
08	\$500,000 to \$750,000
09	\$750,000 to \$1,000,000
10	\$1,000,000 to \$2,000,000
11	Greater than \$2 million

While initially built as a complement to other Claritas syndicated segmentation systems, the Claritas Net Worth Indicators model is also available as a stand-alone product in response to client demand. The Claritas Net Worth Indicators model can be coded onto customer files and marketers can then determine market size and penetration using the Claritas Net Worth Indicators distributions.

WHAT'S NEW

The 2024 Claritas Net Worth Indicators distributions utilize the most current demographic and modelled information, enabling companies to find customers. Net Worth Indicators classifies every U.S. household into one of 11 ranges, extending up to \$2 million plus. The 2024 vintage of the Claritas Net Worth Indicators distributions provide the most current estimates of the number of households with a specific segment assignment in each standard geography.

METHODOLOGY

The Claritas Net Worth Assets Indicators model is a proprietary model that estimates the net worth, or net financial position, of a household. It is based on responses to the Claritas Financial Track survey of financial behaviors—the largest financial survey in the industry—for which Claritas has actual dollar measures from each survey respondent, and permission to use this data for market research purposes. From the survey base, information for nearly 150,000 households (rolling three years of quarterly surveys) is anonymized, summarized, and used to construct balance information for a variety of financial products and services that are core to net worth. No individual respondent survey data is released with the Claritas Net Worth Indicators model.

Claritas now uses the 2019 Survey of Consumer Finances (SCF), a triennial cross-sectional survey of U.S. families conducted by the Federal Reserve Board, to adjust Net Worth distributions. Using the 2019 SCF, which has an oversample of wealthy families and a weighting scheme that corrects

for under-coverage at top breaks, enables Claritas to provide accurate and stable estimates at the top of the Net Worth distributions. Coupling this with property-level home value, Net Worth breaks extend to \$2MM+, allowing for unprecedented distinction and a more focused understanding of high wealth segments.

DATA DESCRIPTION

This document addresses the data available in the 2024 release of the Claritas Net Worth Indicators current-year (CY) and five-year (FY) distributions.

Data Source

The CY and FY distributions are generated from Claritas Net Worth Indicators assignments at the ZIP+4-level. Segment household distributions for each individual block group are derived from the household counts and Claritas Net Worth Indicators assignment associated with the ZIP+4s within that block group. The segment distributions can then be rolled up from block group to other geographies, using cross reference files where necessary. Clients access the segment distributions for purposes such as determining market potential, creating profile bases, and identifying ideal segments within markets.

Household Definition

It is important to understand how different data providers count households differently, depending on their purpose. For example, the U.S. Census Bureau counts as a household all the people who occupy a housing unit as their usual place of residence. These people may or may not be related, but to be counted as a single household, they must have their home address in common.

For a compiled list provider such as Epsilon, the purpose is to make it as easy as possible for companies to acquire additional data about their existing customers and buy mailing lists of prospects. Because the customer name is so critical to this process, Epsilon counts as a separate household every unique last name at a unique address. This means that the Epsilon estimate of the number of households in any geography is generally larger than that of the Census Bureau for the same geography.

For example, if Pat Valentine and Chris Robertson both live at 814 Scott Street Covington, KY 41011, they would be counted as a single household for the purpose of the Census Bureau and Claritas Demographic Update. Since the couple has different last names, Epsilon might count them as two households in order to get a name/address match on either person in the TotalSource Plus file. If the couple were married and had the same last name, Epsilon could more easily consider them a single household because the last name match is one of the keys to being able to collapse individuals and append household-level data.

This is important because Claritas has long adopted the Census Bureau standard of counting all those at an address who consider it their usual place of residence as a single household. This household definition is used to create Claritas household counts.

Geographic Levels

Claritas Net Worth Indicators CY/FY distributions provide counts of households by segment for standard geographies, as well as for industry-specific geographies for telecommunications and cable. Claritas Net Worth Indicators CY/FY distributions are created for the following standard geographic levels:

ACRONYM	GEOGRAPHY
AZP	All ZIP Codes, area & point
BGR	Census Block Group
CBSA	Core-Based Statistical Area
CNG	Congressional District
CSA	Combined Statistical Area
County	County
DMA	Designated Market Area
MCD	Minor Civil Division
Place	Place
State	State
TDZ	Three Digit ZIP Code
Tract	Census Tract
USA	USA
ZIP	Area ZIP Codes (i.e., have an associated geographic boundary)

Claritas Net Worth Indicators CY/FY distributions are also created for the following telecommunications and cable geographies:

ACRONYM	GEOGRAPHY
BTA	Basic Trading Area
CTR	Wire Center
LATA	Local Access and Transport Area
LEC	Local Exchange Carrier
MTA	Metropolitan Trading Area
RSA	Rural Statistical Area
CBL	Cable Incumbents
CBM	Cable Overbuilders Major
CBN	Cable Overbuilders Minor

CURRENT-YEAR ESTIMATES

The Claritas Net Worth Indicators 2024 distribution of U.S. households below is based on the ZIP+4-level assignment summed to the block group geography. The 2024 Household Percent Comp column shows the current-year percent composition for each segment calculated as a percentage of total U.S. households.

NET WORTH INDICATOR	NET WORTH RANGE	2024 HOUSEHOLD % COMP
01	Less than \$25,000	36.99%
02	\$25,000 to \$50,000	5.60%
03	\$50,000 to \$75,000	5.03%
04	\$75,000 to \$100,000	3.03%
05	\$100,000 to \$150,000	5.24%
06	\$150,000 to \$250,000	7.64%
07	\$250,000 to \$500,000	10.95%
08	\$500,000 to \$750,000	6.11%
09	\$750,000 to \$1,000,000	3.77%
10	\$1,000,000 to \$2,000,000	7.65%
11	Greater than \$2 million	8.00%
	Total	100%

FIVE-YEAR PROJECTIONS

The five-year projections are not forecasts, but rather projections using the current-year models with our five- year projected demographic estimates. The five-year projections are applied to the Claritas demographic update for 2029 household counts in the same manner that the current-year distributions are applied to the 2024 household counts.

TECHNICAL SUPPORT

If you need further assistance, not provided in the release notes, please contact Environics Analytics between 9:00 a.m. and 8:00 p.m. (Monday through Friday, EST) at 888.339.3304 or support@environicsanalytics.com.

LEGAL NOTIFICATIONS

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