

## Discretionary Income Index

### DATABASE

- Over 120 million households in all 50 States

### KEY BENEFITS

- Enables more precise identification of prospects who have the financial capacity to make a purchase
- Provides higher level of accuracy than other indices, which are built using a single, nationally-based predictive model which is more a measure of cash availability than discretionary income
- Leverages Semcastings' Premium Income Estimate, proven to be 30% more accurate than other data providers' estimates

### INDUSTRIES

Ideal for:

- High-end retailers
- Non-profit organizations
- Mortgages and credit cards
- Luxury goods and travel
- Auto
- Travel
- And many more....



Semcastings' Discretionary Income measures the amount of money households have left for spending after they meet their basic needs for food, housing and clothing. One of the Semcasting Affluence Indicators, Discretionary Income enables more precise identification of prospects who have the financial capacity to make a purchase.

Unlike other discretionary income estimates our approach goes further, measuring assets and equity-to-debt while considering other key factors that can have a strong influence on spending:

- Age & Life Stage
- Household Composition
- Presence and Age of Children
- Educational Expenses
- Transportation Expenses
- Local Tax Rates
- Projected Savings
- Regional Cost of Living

### Estimating Discretionary Income

The unique value offered by the Semcasting Discretionary Income estimate is that it is based both on assets and a broader range of factors that influence resources. By building models at the local level and aggregating those results, it allows us to take into account nuances at the household level such as educational expenses, transportation expenses and life stage values, which can be volatile and impact spending capacity. Combining our Premium Income Estimate with life stage data and assets, marketers and analysts now have a far better way of targeting an audience who can afford the product or service being offered so they can build a larger, more targeted prospect list.

*[continued]*

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### Reading the Semcasting Index

Semcastings' Discretionary Income is provided as an Index, a Ranking and by deciles. As an index the average household score is equal to 100. Households with 10% greater discretionary income than the average will score 110; households with twice the discretionary income have an index value of 200. A value of zero applies to households where household expenses consume all available resources, resulting in no discretionary income.

National Discretionary  
Income Index  
Score of 100 = average

Index	Counts
0	32,841,840
1-49	15,711,101
50-99	39,312,091
100-149	18,733,712
150-199	4,752,221
200-499	3,729,179
500-999	543,914
1000+	169,081

### Case Study: Non-Profit Organization

A non-profit organization looking to increase gift amounts used Semcastings' Discretionary Income Index to identify and solicit donors of considerable financial means. Semcasting identified past donors with enough discretionary income to make increased donations, then built a model using geography and comparing assets and equity-to-debt. From the model, a ranking was created that determined which donors were most and least likely to increase their gift amounts, given their financial status. The non-profit used mailing lists generated from the model for several mail campaigns and saw the following improved results:

- Average response rate of over 2%
- Average gift of \$15 per responder
- Gift increase of \$2.14 per mailing