Net Worth Model

Target high-net-worth households

Looking for a way to target the elusive high-net-worth market? These are the customers you want to cross-sell, up-sell and cultivate into your most profitable relationships. You know some of them exist in your current customer file. You need a way to cost-effectively segment them so you can enjoy the outstanding opportunities that come with developing a long-term, profitable customer relationship. Expand beyond and prospect new customers with net worth values with Experian’s INSOURCE™ Database.

Symmetry and strength
Experian’s newly created Net Worth Model combines the power of our INSOURCE consumer data and the power of Claritas’ Market Audit® survey data. The Market Audit survey is the largest syndicated survey database of consumer financial behavior. The Market Audit is comprised of personal telephone interviews that measure which households are using what financial products, as well as the balance information and institution relationships for those accounts.

The Net Worth Model is based on actual, not forecasted, net worth information from annual Market Audit surveys of more than 100,000 households. Net worth is calculated by subtracting all liabilities, such as loans and mortgages, from all assets, including real estate, investments and cash. Then, the model is optimized using household-level data elements available on Experian’s INSOURCE consumer marketing database. Key variables from the Market Audit survey that are used to create the Net Worth Model estimates include:

**Assets**
- Checking accounts
- Regular savings accounts
- Savings/CD-type IRAs
- Savings clubs
- Certificates of deposit
- Cash value investments
- Real estate
- Investment securities
- Mutual funds

**Liabilities**
- Credit cards
- Auto loans
- Personal installment credit
- Personal revolving lines of credit
- Mortgages

(Outstanding dollars are used for all credit services)

The household-level Net Worth Model delivers

- **Superior customer management** — The Net Worth Model segments your customers to determine the appropriate cross-selling opportunities for products and services. It’s ideal for targeting mutual funds and annuity products, as well as brokerage services.
• **Enhanced targeting for direct mail** — Reduce your mailing costs and increase your response rates with the improved targeting of the Net Worth Model. Effectively target prospects for new products and services by segmenting your customer list based on a household’s net worth.

• **Easy-to-use output** — Unlike traditional rank-ordering models developed in the past, Net Worth Model output is the estimated net worth value in hundreds of dollars rather than a score. There is no translation required to interpret the model.

**Identify desirable households with answers to questions such as:**

• How much are my customers worth?

• Who are my affluent customers?

• Which customers would be most likely to need special services, such as trusts?

• Which customers have the greatest growth potential?

• Which customers have the financial resources to assume additional debt?

**Definition and delivery options**

Net worth is defined as a household’s total financial assets minus its liabilities. Assets include financial holdings such as deposit accounts, investments and home value. Liabilities include loans, mortgages and credit card debt.

The following standard net worth breaks are available using Experian household-level data:

• More than $1 million

• $750,000–$999,999

• $500,000–$749,999

• $250,000–$499,999

• $150,000–$249,999

• $100,000–$149,999

• $75,000–$99,999

• $50,000–$74,999

• $25,000–$49,999

• $0–$24,999

**Develop balanced risk/opportunity models**

Use the Net Worth Model in conjunction with other segmentation models to add power and precision to your marketing strategies. Augmenting a risk model with the Net Worth Model can allow you to implement innovative strategies for cross-selling or targeting while managing the risk. The Net Worth Model is available for appending to your current customer file or for determining market penetration.

To find out more about Net Worth Model, contact your local Experian sales representative or call 800 850 4389.