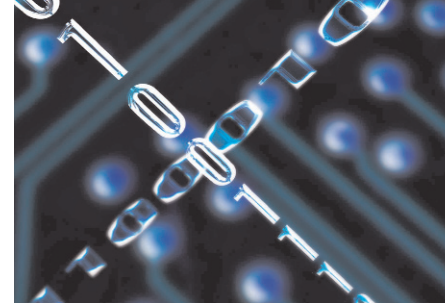


# InfoBase-X<sup>®</sup> Affordability Equivalised Income



The income that a household needs to attain a given standard of living will depend on its size and composition.

“Equivalisation” is a method of adjusting household incomes so that they can be looked at on a comparable basis in terms of economic wellbeing and standard of living. This methodology takes into account both the greater income needs of larger households and the economies of scale achieved when people living together can share household resources.

Official income statistics use the McClements equivalence scale, in which

an adult couple with no dependent children is taken as the benchmark with an equivalence scale of one.

### Why use Equivalised Income?

- It provides marketers the ability to prioritise based on relative wealth
- It indicates the economic resources available to each household based on household composition
- A truer indication of relative income

A well known animal charity substituted income with InfoBase-X Affordability's Equivalised Income in a targeted mailing campaign and improved response rates by more than 100%.

## Equivalised Income

Household Income	£30,000	£30,000	£30,000
Equivalised household size	$0.61+0.39+0.36+0.25=1.61$	$0.61+0.39=1$	0.61
Equivalised income	$£30,000/1.61=$ <b>£18,634</b>	<b>£30,000</b>	$£30,000/0.61=$ <b>£49,180</b>

### Equivalised income - McClements Equivalence Scale

Cohabiting head of household	<b>0.61</b>	Cohabiting head of household	<b>0.61</b>	Child aged:	
Partner/spouse	<b>0.39</b>	1st additional adult	<b>0.46</b>	16-18	<b>0.36</b>
1st additional adult	<b>0.42</b>	2nd additional adult	<b>0.42</b>	13-15	<b>0.27</b>
Subsequent	<b>0.36</b>	Subsequent adults	<b>0.36</b>	11-12	<b>0.25</b>
				8-10	<b>0.23</b>
				5-7	<b>0.21</b>
				2-4	<b>0.18</b>
				Under 2	<b>0.09</b>

For more information about Acxiom's InfoBase-X<sup>®</sup> Affordability solution call us on 0800 035 2755