



## **Changes in the application of the Brazilian Criteria, in force as of 27/06/2024**

The methodology for the development of the Brazilian Economic Classification Criteria (Brazilian Criteria) in force from the start of 2015 is described in book *Estratificação Socioeconômica e Consumo no Brasil*<sup>1</sup> authored by professors Wagner Kamakura (Rice University) and José Afonso Mazzon (FEA/USP<sup>2</sup>), based on IBGE's<sup>3</sup> Household Budget Survey<sup>4</sup>.

The operational rule for the classification of households described below has resulted from the adaptation of the methodology proposed in that book to the operational conditions found in market research in Brazil.

Organizations using the Brazilian Criteria may report their experiences to the Brazilian Criteria (CCEB<sup>1</sup>) Committee. Such experiences will be invaluable for the Brazilian Criteria to be constantly improved.

The transformation currently effected to the Brazilian Criteria has been possible thank the generous contribution and intense dedication of the following professionals to the Committee activities:

Luis Pilli (Coordinator) - LARC Pesquisa de Marketing  
Bruna Suzzara - IPEC  
Cristiane Aragão - Nielsen  
Daina Godinho - IPSOS  
Luciana Valforte - IPSOS  
Luciano Pontes - Kantar IBOPE Media  
Marianne Damasceno - IPSOS  
Paula Yamakawa - IPEC  
Renata Nunes – Datafolha  
Ricardo Alvarenga- Nielsen IQ  
Sidney Fernandes - IRP

ABEP, on behalf of all its members, wishes to express its appreciation and thank those professionals for their dedication.

<sup>1</sup> *Socio-economic Stratification and Consumption in Brazil*

<sup>2</sup> *School of Economics, Business and Accounting of the University of São Paulo*

<sup>3</sup> *Brazilian Institute of Geography and Statistics*

<sup>4</sup> *Pesquisa de Orçamento Familiar - POF*

## **POINTS SYSTEM**

### **Variables**

	Number of Items				
	0	1	2	3	4 or +
Bathroom(s)	0	3	7	10	14
Domestic servant(s)	0	3	7	10	13
Automobile(s)	0	3	5	8	11
Personal computers(s)	0	3	6	8	11
Dishwasher(s)	0	3	6	6	6
Refrigerator(s)	0	2	3	5	5
Freezer(s)	0	2	4	6	6
Washing machine(s)	0	2	4	6	6
DVD player(s)	0	1	3	4	6
Microwave oven(s)	0	2	4	4	4
Motorcycle(s)	0	1	3	3	3
Clothes dryer(s)	0	2	2	2	2

### **Householder education and access to public utility services**

Householder's education	
No schooling / Incomplete Elementary School	0
Elementary School Diploma / Incomplete Junior High School	1
Junior High School Diploma / Incomplete High School	2
High School Diploma / Incomplete Higher Education	4
Higher Education Degree	7

Public Utility Services		
	No	Yes
Piped water	0	4
Paved street	0	2

### **Social class distribution**

Size estimations for the updated strata pertain to Total Brazil and the results in the Macro Regions, in addition to the total of the 9 Metropolitan Regions (MRs) and the results in each RM (Porto Alegre, Curitiba, São Paulo, Rio de Janeiro, Belo Horizonte, Brasília, Salvador, Recife, and Fortaleza).

Estimates for the total of Brazil and macro-regions are based on studies national probabilistic data from Datafolha and IPEC (base 2023). And the estimates for the 9 RMs are based on LSE (*Levantamento Socioeconomico*) from probabilistic studies from Kantar IBOPE Media (2023).

Classe	Brazil	Southeast	South	Northeast	Midwest	North
1 – A	3,1%	4,0%	3,6%	1,4%	5,4%	1,1%
2 - B1	5,0%	6,3%	6,3%	2,5%	6,2%	2,5%
3 - B2	16,5%	20,7%	20,9%	8,7%	19,2%	8,6%
4 - C1	20,7%	23,8%	25,0%	14,0%	22,5%	16,0%
5 - C2	26,3%	26,7%	27,3%	25,1%	25,8%	26,9%
6 - D - E	28,4%	18,5%	16,9%	48,3%	20,9%	44,9%
Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

SEL	9 MRs	POA	CWB	SP	RJ	BH	BSB	SSA	REC	FOR
1 – A	6,3%	6,1%	8,0%	6,2%	5,6%	6,6%	18,6%	3,9%	2,8%	3,8%
2 - B1	7,2%	6,2%	10,3%	7,6%	6,5%	8,8%	11,7%	5,4%	3,5%	5,3%
3 - B2	19,7%	20,8%	22,8%	23,1%	17,6%	21,2%	24,5%	13,6%	10,8%	13,1%
4 - C1	21,9%	24,2%	24,7%	24,6%	21,1%	21,2%	18,6%	19,0%	14,7%	17,2%
5 - C2	25,5%	27,8%	22,7%	26,7%	25,1%	23,0%	16,2%	28,3%	26,9%	26,5%
6 – D-E	19,4%	14,9%	11,5%	11,8%	24,1%	19,2%	10,4%	29,8%	41,3%	34,1%
total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

### **Brazilian Criteria Thresholds**

SEL	Points
1 – A	45 – 100
2 - B1	38 – 44
3 - B2	29 – 37
4 - C1	23 - 28
5 - C2	17 – 22
6 - DE	0 – 16

### **Average Household Income Estimation for the strata in the Brazilian Criteria**

Below are the monthly household income estimations for the social-economic strata. The amounts are based on Year 2023 Continuous National Household Sample Survey (PNADC<sup>5</sup>) and represent approximations of the amounts that may be obtained in samples for market research, media research, and opinion polls. Experience demonstrates that the variance observed in responses to the question concerning income is very high, with remarkable income overlaps across social-economic levels. Such means the income question is not an efficient estimator for social-economic levels, and does not replace or complement the questionnaire suggested below.

The purpose of disclosing this information is to give an idea of the characteristics of the social-economic strata resulting from the application of the Brazilian Criteria.

Social Economic Stratum	Average Household Income
<b>A</b>	R\$ 26.811,68
<b>B1</b>	R\$ 12.683,34
<b>B2</b>	R\$ 7.017,64
<b>C1</b>	R\$ 3.980,38
<b>C2</b>	R\$ 2.403,04
<b>DE</b>	R\$ 1.087,77
<b>TOTAL</b>	<b>R\$ 4.159,87</b>

<sup>5</sup> Pesquisa Nacional por Amostra de Domicílios Contínua

## **ITEM COLLECTION PROCEDURE**

It is important and necessary that the criteria be applied uniformly and accurately. For such, it is fundamental to fully comply with the definitions and procedures explained below.

For household appliances in general:

All items in working order in the household must be included (including items kept away, unused), regardless of how they were acquired: purchased, on loan, rented, etc. If the household has an item and has loaned it to another household, then that item shall not be counted, as it is not currently in the household. In case an item is not fully operational, it will only be included if the household intends to have it fixed or replaced within the next six months.

### **Bathroom**

What defines a bathroom is the existence of a toilet bowl. All bathrooms, restrooms, powder rooms, etc., featuring a toilet bowl must be counted, including those in servant's quarters, facilities outside the main house, and any ensuite bathroom(s). To be included, the bathroom must serve the household exclusively. Bathrooms in common areas (that serve more than one dwelling) shall not be included.

### **Domestic Workers**

Only monthly workers (i.e., regular workers, working in the household at least five days a week, whether or not living in) must be included. Do not forget to include nannies, drivers, cooks, kitchen hands, housekeepers, always considering regular workers.

N.B.: the term "*monthly*" worker concerns workers that work permanently and/or continually at the household, at least five days a week, and is unrelated to how the salary is paid.

### **Automobile**

Do not include taxicabs, vans or pick-up trucks used to provide freight services, or any vehicle used to perform professional activities. Mixed-use vehicles (used for personal and professional activities) shall not be counted either.

### **Personal Computer**

Include all desktop computers, laptops, notebooks and netbooks. **Do not include:** calculators, data organizers, tablets, palmtops, smartphones, and other devices.

### **Dishwasher**

Include any machine with a dishwashing function.

### **Refrigerator and Freezer**

In the score table, there are two independent rows to check the ownership of refrigerators and freezers, respectively. The score will be applied independently:

If there is a refrigerator in the household, the points (2) corresponding to the ownership of a refrigerator will be assigned;

If the refrigerator features a built-in freezer with an independent door, or if there is a stand-alone freezer in the household, the points (2) corresponding to the ownership of a freezer will be assigned. Thus, that household would score 4 points from the summation of those two items.

### **Washing Machine**

Only automatic or semiautomatic washing machines should be counted. Tub washing machines are not to be included.

### **DVD Player**

Consider as a DVD Player (Digital Video Disc or Digital Versatile Disc Player) a household electronic device capable of playing media on DVDs or more modern formats, including videogames, personal computers, and notebooks. Include all portable players and those attached to personal computers.

Car DVD Players are not to be included.

### **Microwave Oven**

Include microwave ovens and appliances with double function (microwave and convection/electric ovens).

### **Motorcycle**

Do not include motorcycles used exclusively for professional activities. Only personal- and mixed-use (personal and professional) motorcycles are counted.

### **Clothes Dryer**

Include clothes-drying appliances. There are dual-function appliances (for washing and drying). In those cases, the appliance must be counted as both a washing machine and a clothes-dryer.

**Questionnaire Template suggested for application**

**Q.NN** – I will now ask you a few questions about items in your household, for economic classification purposes. All electrical-electronic items I will mention must be in working condition, including any items that are stored. In case an item is not working, please, include it only if you intend to have it fixed or replaced within the next six months.

**INSTRUCTION: All items must be asked by the interviewer and answered by the respondent.**

**Let’s get started? In your household, there is(are)\_\_\_\_\_ (READ EACH ITEM)**

COMFORT ITEMS	NOT OWNED	NUMBER IN HOUSEHOLD			
		1	2	3	4+
Number of passenger cars exclusively for personal (i.e., not professional) use					
Number of monthly servants, including only those who work at least five days a week					
Number of washing machines, excluding tub washing machines					
Number of bathrooms, restrooms, powder rooms					
DVD Players, including any device that plays DVDs, and excluding Car DVD Players					
Number of refrigerators					
Number of stand-alone freezers, or freezers in two-doorrefrigerators					
Number of personal computers, including desktop computers, laptops, notebooks and netbooks, and excluding tablets, palmtops or smartphones					
Number of dishwashers					
Number of microwave ovens					
Number of motorcycles, not considering those used exclusively for professional activities					
Number of clothes dryers, including washers-and-dryers					

Domestic Worker	NOT HAVE				
		1	2	3	4+
Number of monthly workers, including only those who work at least five days a week					

The water used in this household comes from...?	
1	The utility company’s distributionsystem
Considering the stretch of street your household is at, you would say your street is...:	
1	Asphalt/Paved
2	Dirt/Gravel

**What is the householder’s education? Consider the “householder” to be the person making the greatest contribution to the household income.**

Current Nomenclature (Portuguese)	Current Nomenclature (English)	Previous Nomenclature (Portuguese)	Previous Nomenclature (English)
<i>Analfabeto / Fundamental I incompleto</i>	No schooling / Incomplete Elementary School	<i>Analfabeto/Primário Incompleto</i>	No schooling / Incomplete Elementary School
<i>Fundamental I completo / Fundamental II incompleto</i>	Elementary School Diploma / Incomplete Junior High School	<i>Primário Completo/Ginásio Incompleto</i>	Elementary School Diploma / Incomplete Junior High School
<i>Fundamental completo/Médio incompleto</i>	Junior High School Diploma / Incomplete High School	<i>Ginásio Completo/Colegial Incompleto</i>	Junior High School Diploma / Incomplete High School
<i>Médio completo/Superior incompleto</i>	High School Diploma / Incomplete Higher Education	<i>Colegial Completo/Superior Incompleto</i>	High School Diploma / Incomplete Higher Education
<i>Superior completo</i>	Higher Education Degree	<i>Superior Completo</i>	Higher Education Degree

### **IMPORTANT REMARKS**

These criteria have been devised to define broad economic classes that serve most companies’ segmentation needs (per purchasing power). They cannot, nonetheless, just like any other criteria, satisfy all users under all circumstances. There certainly are many cases in which the universe to be surveyed is of persons, say, with monthly personal income above US\$ 30,000. In such cases, the researcher must look to additional selection criteria other than the Brazilian Criteria (CCEB).

Another remark is that the CCEB criteria, as their predecessors, were formulated using statistical techniques that, as it is widely known, are always based on collectivities. In a given sample of a given size we will have a given probability of correct classification, (which, we expect, will be high), as well as a probability of classification errors (which, we expect, will be low).

No statistical criteria, nonetheless, are valid for individual analyses. Often-heard statements such as “...I know a fellow who obviously belongs to class [SEL] D, but according to the criteria is in SELB...” do not invalidate the criteria, which are designed to operate statistically. They do serve, however, to warn us, when working on individual or quasi-individual analyses, of behaviors and attitudes (deep interviews and group discussions, respectively). At a group discussion, a single case of misclassification may invalidate the whole group. In the case of deep interviews, the harm is even more apparent. Also, in a qualitative survey, rarely will a purely-economic class definition be satisfactory.

Therefore, it is critically important that the whole market be aware that the CCEB criteria, or any other economic criteria, are not enough for appropriate classification in qualitative surveys. In those cases, in addition to the CCEB, the researcher must gather as much information (as possible, feasible and practicable) about the respondents, including their purchasing behaviors, preferences and interests, leisure activities and hobbies, and even personality traits.

An additional proof of the suitability of the Brazilian Economic Classification Criteria is their effectiveness in discriminating the purchasing power across the various Brazilian regions, unveiling important differences between them.