

The Middle Class Is Dead. Spend Your Advertising Dollars on This Demographic Instead to Triple Your Profit.

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Have you recently considered why your advertising dollars aren't working as well as they used to be? In today's environment, it's far more profitable to spend a large portion of your advertising budget going after the top 10-20% of income earners in your niche market vs. spending your entire budget advertising to all income earners in your market equally.

But why is this? Because the middle class has all but died out, with very few traditional middle-class households still existing in America today.

The top 20% of income earners are buying a good chunk of all the non-essential products and services out there today. According to the *Washington Post*, 38.4% of all discretionary goods and services were purchased by the top 20% in 2021. Furthermore, according to a CNBC report, more than 62% of the USA is living paycheck to paycheck in 2023.

As a result of this, the best thing for most advertisers to do is spend a larger portion of their company's ad budget on the top 20% of upper-income individuals in their market as that is where a higher percentage of their customers actually lie.

By spending a higher percentage of their company's advertising dollars on this portion of the market, companies will almost always be able to increase the ROI coming from their advertising budget as a result. Here's how to target higher-income prospects in your market and start earning two to three times more money from your company's online advertising budget as a result.

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1. Find out what exact income demographic levels are profitable to sell to at your company

You want to start by seeing how much your average customer earns per year before you can make any definitive long-term adjustments to your ad accounts. Most companies will find that most of their sales occur to the top 10-20% of income earners in their markets. That said, you can still make extra money advertising to lower-income earners in those same markets as well.

Depending on your niche market, you will want to run some ads to lower-income earners, but should also generally pay less for that advertising (more on this in the next section).

If you have advertised with Google Ads before, the information you need to determine the income level of your customers is shown directly inside of the "audience menu" of your Google Ads account.

While Facebook Ads and other online advertising platforms don't offer any stats on your average customer's income, you can simply use your Google Ads data to filter down your ads on other platforms as well. **Note:** You could also run separate campaigns for each income level to find out which income

levels purchase from your ads on Facebook.

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2. Decide by which method you want to narrow your ads by income level, the easy or more thorough way

If you are advertising through either Google or Facebook, you already have the ability to target users in the top 10%, 20% or 30% of income demographics inside your ad accounts right now with a few simple clicks.

While Google and Facebook do have these income-targeting options available through their ad platforms by default, neither company allows you to know the exact income of their users on an individual level. Google and Facebook are using publicly available census data, at a zip code level, to offer you a way to target users by “income.” As a result, high-income prospects not residing in high-income zip codes are not targetable using Google and Facebook’s income filtering systems.

If you want to target all verified high-income individuals in your market, not just those that live in high-income neighborhoods, you could instead purchase a list of known high-income email addresses in your geographic market, then upload this list to your Google and/or Facebook Ads accounts to filter users by income that way. This also works for platforms like TikTok and LinkedIn.

This ensures that only those high-income prospects on your list will see your ads when they search for your keywords on Google. **Note:** You can find a list of high-income individuals’ email addresses by going to any public third-party data broker.

For doing income targeting outside Google and Facebook, you only have two primary options to filter out low-income users on those platforms:

1. Target users in higher-income cities only.
2. Upload a list of high-income earners' emails to target or filter your ads with as outlined above.

Related: [The Step-By-Step Guide to Finding Your Niche and Target Market](#)

3. Decide what to do with the few user prospects in your market whose income is “unknown”

If you are using the default income targeting options inside of Google Ads, Google will tell you that it doesn't know the income of all of its users. About 30% of its users will always be listed as an “unknown” status so you must decide what you are going to do with these users, right from the start.

If you are starting with a limited budget, I recommend starting out your high-income-earners advertising campaign by only targeting users with a “known” income status as that is the easiest and most consistent way to get a high return from your ad budget upfront.

Sentinel, a high-end package delivery box company, found targeting “unknown” income users on Google's Ad platform was unprofitable, presumably due to most users in this “unknown” income category being of a much lower average income level overall. After the company had spent over \$200,000 to test Google Ads, literally zero sales had come from this “unknown” income category whereas dozens of sales had come from the “known” income user category on the platform (mostly the top 10% of income demographic group).

Once you have tested advertising to all the users with a known income status in your ad account, if you want to still try to squeeze a few extra dollars of profit out of the Google platform, you can try running ads targeted to these “unknown” income users to see what return you can get out of this additional demographic for your company as well.

By advertising to this unknown group of users, Google will tell you at exactly what rate these users convert and at what level it is profitable for your company to advertise to them moving forward.

For example, if you find Google’s “unknown” user category converts at half the rate as your other high-income users in your account, you can tell Google you want to pay 50% less for these “unknown” users moving forward to get some extra sales from your market, all while still meeting the target ROI target you have already set for your other campaigns.

You can do the same thing for testing out other income groups to squeeze extra profit out of these other income categories you may not have used in your market yet as well.

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In summary

If you’re still advertising to everyone in your market equally, regardless of their income level, then you are likely leaving behind at least *half* the total profit you could be making with your current ad budget. For many of the people I run across, it’s the only thing separating them from success and being able to create a scalable ads strategy for their company online.

At the very least, it won’t hurt to check into your customers’ median income before continuing down the same path your company is going down now. What you find may surprise you.

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