



Financial Well-Being Index Model User Guide and Technical Information

A publicly available instrument complemented by an Overall Well-Being Score for Canadians and Global Citizens

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Financial Resilience Institute

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Introduction

As a leading independent authority on financial well-being in Canada and globally, Financial Resilience Institute is a non-profit organization with a vision for improved financial well-being, financial health and financial resilience for all. Through innovative research analytics, impact measurement, strategy innovation and programs, the Institute has developed tools like the Financial Well-Being Index Model to enable evidence-based decision-making for individuals, organizations, and policymakers worldwide.



The Financial Well-Being Index Model is a valuable, free, publicly available resource for policymakers, financial institutions, non-governmental organizations (NGOs) and other organizations and leaders wanting to understand, measure and track consumer financial well-being at the national, regional, segment (or population) and individual household level. It is a highly robust yet simple model providing a subjective Financial Well-Being Score, also linked as an optional complementary feature to a person's Overall Well-being Score.

The Financial Well-Being Index Model was developed over ten years. It builds on over ten years of longitudinal national Financial Well-Being studies research and analytics and data for Canada, with this a complementary instrument to the Financial Well-Being Index model. It was shaped by the Financial Well-Being Framework, developed in 2016 based on one and a half years of research, analytics and peer-review consultations. The Financial Well-Being Study has been implemented nationally over fourteen times as of October 2024, and currently conducted three times a year by Financial Resilience Institute, with benchmark studies conducted for Policymakers, Financial Institutions and the wider ecosystem.

Built on a robust dataset of reported consumer and financial behaviour and well-being indicators, financial stress indicators and financial health indicators tracked by the Institute since 2017, the model measures financial well-being at multiple levels. It can enable ongoing longitudinal consumer financial well-being measurement and be complemented by bespoke indicators and deep-dive analytics as appropriate, with more information available upon request.

The instrument enables evidence-based decision-making and financial well-being research, impact measurement, policy and program innovation, plus potentially the measurement of the impact of certain interventions on improved financial well-being. The instrument can combine with other instruments, consumers and financial data and transactional data. It can help organizations and policymakers to develop relevant offerings, strategies, programs and interventions, and track the impact of these over time on improved financial well-being for citizens overall, key segments of the population (e.g., low low-income households) and individuals in the individual household level.

Eloise Duncan, CEO and Founder of Financial Resilience Institute and creator of the Index model, works internationally and recognized that there is demand for a simple yet robust 'standard' measurement of consumer financial well-being, also in light of a growing financial health movement and the recent publication of the [G20 Policy Note on Financial Well-Being](#) published in November 2024. This provides a consensual concept of financial well-being, which is very aligned with the Financial Well-Being Framework and model developed by the Institute, with this also referencing CFPB's same definition of financial well-being.

The Financial Well-Being Index Model was developed to provide a simple yet highly robust measurement of financial well-being. The model can be applied worldwide across various sectors. Financial institutions can utilize the model to identify opportunities for enhancing client financial health and supporting strategic decision-making. Policymakers, Financial Institutions, NGOs, financial health innovators, Employers, funders, Employers, regulators or other organizations can lever the instrument and measure consumer financial well-being themselves without needing to engage with the Institute or other organizations ^[1].

[1] Measurement can be conducted at many levels. For organizations seeking to measure the financial well-being of their citizens, it is recommended that sufficient survey sample sizes are used with a representative sample of the population by household income, age, region and gender. For FIs or other organizations looking to measure the financial well-being of their customers, employees or stakeholders, it is recommended that survey data is weighted to be representative of their customer or employee base as well, for example, by household income, age or gender. As required, Financial Resilience Institute can provide independent, robust longitudinal research analytics and impact measurement, analytics and interpretation of data and benchmark data for organizations as required.

The Index Model can be applied at regular intervals as part of financial assessments, program evaluations, or longitudinal studies to track changes and trends in consumer financial well-being over time. By providing timely and actionable insights, the model can complement other instruments and data, and as appropriate potentially enable organizations to measure the impact of their interventions, identify areas for improvement, and refine strategies to achieve measurable, sustainable outcomes, with piloting, testing and learning available starting in 2025.

The Overall Well-Being Score can be used as a complement to the Financial Well-Being model and score if desired. Equally, organizations wanting to deploy a simple measure of Overall Well-Being can use the simple indicator included as desire, with this also complementing over indicators or measures of subjective Overall Well-Being as appropriate.

The Financial Well-Being Index Model can also be used in developing countries and/or for specific populations. For example, it could be used to measure if the mean financial well-being score of citizens in a country that is in conflict is lower than that of a country that is not in conflict. Equally, the mean financial well-being score of citizens at a certain point in time, and for example, before a series of climate-change events hit a country, could be compared to the mean financial well-being score for the same country after such events.

About Financial Resilience Institute

[Financial Resilience Institute](#) is a non-profit organization and leading independent authority on financial well-being in Canada and globally, governed by a [Board of Directors and Advisory Council](#). Our Purpose is 'Building financial resilience and well-being together' with financial well-being an important contributor to people's overall well-being, as evidenced through our data analytics over several years [2]. Our vision is 'To create a better world through improved financial resilience and financial well-being for all.' The problem we're trying to help solve with other organizations is financial vulnerability as a mainstream issue, in particular for people and communities that are more financially vulnerable, underserved by Policymakers, Financial Institutions and others, and/or are facing systemic barriers. More information about the Institute is available in the appendices and on our website.

[2] See joint report published with Statistics Canada, "*The financial resilience and financial well-being of Canadians during the COVID-19 pandemic*", available at <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2021008-eng.htm> and more data and insights at <https://www.finresilienceinstitute.org/index-releases-and-reports/>

Definition of Financial Wellbeing

Financial well-being is a complex, multidimensional construct. When our organization developed its proprietary Financial Well-Being Framework [3] in 2016, we adopted the Consumer Financial Protection Bureau's robust definition of financial well-being [4]. This is a *state of being wherein a person can meet their current ongoing financial obligations, feel secure in their financial future and be able to make choices that allow them to enjoy life.* The Institute's approach integrates behavioural, financial, and contextual data to provide a holistic view of financial well-being.



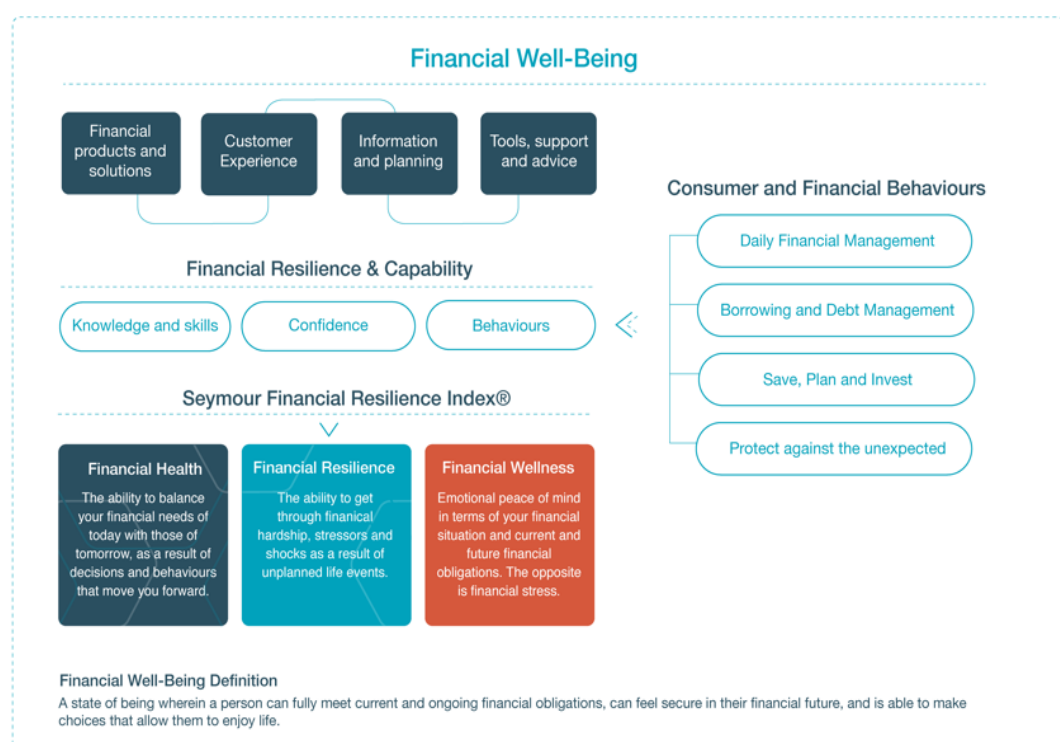
[3] The Financial Well-Being Framework was developed Eloise Duncan, CEO and Founder of Financial Resilience Institute, in 2016, through our previous social enterprise organization called Seymour Management Consulting Inc. Read more about the development methodology for the Financial Well-Being Framework, Financial Well-Being studies and other instruments. Read more about our non-profit organization, impact goals and work at <https://www.finresilienceinstitute.org/our-impact/>

[4] Consumer Financial Protection Bureau (CFPB) Financial Well-Being Scale (2015).Source: CFPB, Measuring Financial Well-being: a Guide to using the CFPB Financial Well-Being Scale <https://www.consumerfinance.gov/consumer-tools/educator-tools/financial-well-being-resources/measure-and-score/>

Financial Well-Being Framework

The Financial Well-Being Framework, developed in 2016 based on 1.5 years of research, consultation and analysis by Eloise Duncan of Financial Resilience Institute, provides a holistic lens on the complex, multi-dimensional construct of consumer financial well-being. This proprietary Financial Well-Being Framework was developed based on extensive desk research, quantitative and qualitative research analytics, consumer consultations, and peer reviews by leading academics, financial health experts, and financial institution leaders worldwide. The Framework provides the foundation for the Financial Well-Being Studies instrument, launched in 2017, and conducted three times a year as a robust longitudinal national Financial Well-Being Studies instrument for Policymakers, Financial Institutions and other organizations.

Financial Well-Being Framework



The Framework includes four pillars of financial health that span the financial services spectrum: daily financial management, borrowing and debt management, saving, planning and investing and protection against the unexpected. These are tracked in the context of the consumers' lives and their financial health decisions over the short, medium and longer term. Reported objective and subjective consumer and financial behavioural indicators are

tracked and can combine with and complement consumers' Financial Institution(s) banking transactions or other transactions as appropriate [5].

The Framework includes the inter-related constructs and indicators for three inter-related constructs: Financial Stress, Financial Resilience and Financial Health.

Within the Financial Resilience and Capability lens, there is a measurement of consumers' financial knowledge and skills (i.e., their financial literacy and levels of confidence in making informed financial decisions). A person's human and social capital and reported and their actual consumer and financial behaviours, spanning the four pillars outlined, contribute to their level of financial well-being.

The Framework encompasses financial services enablement support that consumers can put in place themselves and/or Financial Institutions (or other organizations) can offer. These include financial products, solutions, access to and delivery of credit, financial education, digital tools, and more. From an enablement perspective, programs and interventions from policymakers, employers, non-profit organizations, and others can help support consumers, employees, and families' financial well-being. Consumers' financial inclusion and access to financial help challenges are measured and tracked as part of the holistic framework by the Institute.

More information about the Financial Well-Being Framework is available on the Institute's website [here](#).

More information about the Institute's Financial Well-Being Studies, conducted in Canada three times a year with applications in other countries are available on our website and many published reports [here](#).

[5] Read more about our impact and access our impact report highlighting our progress against our impact goals over the last two years at <https://www.finresilienceinstitute.org/our-impact/>

Purpose of User Guide

This User Guide is designed to provide a detailed and comprehensive overview of the Financial Well-Being Index Model, linked to an Overall Well-Being Score. Its purpose is to offer stakeholders the necessary technical insights into the model's development, methodology, indicators, scoring framework, and applications. By presenting this information in a transparent and accessible format, the report aims to empower Policymakers, Financial Institutions, and purpose-driven organizations with the tools and knowledge needed to adopt and implement the Financial Well-Being Index Model effectively.

This User Guide is complemented by the Index model itself, and by the Financial Well-Being Scoring Tool, with these together forming the 'Toolkit'. Financial Resilience Institute is sharing the Index Model and Toolkit to drive positive change in line with our impact goals.

The Financial Well-Being Index Model builds on over ten years of robust longitudinal Financial Well-Being studies data and analytics. It is being made available by our non-profit in line with our impact goals ^[1] and vision to improve financial resilience, health and well-being for all. It has applications across diverse populations and countries.

The Financial Well-Being Index Model is a free, publicly available survey instrument and measurement tool. It can be harnessed by Policymakers, Financial Institutions, and purpose-driven organizations and leaders around the world as they seek to drive systems change and improve the financial well-being of people and communities. This includes people who are more financially vulnerable, facing barriers or are underserved by Policymakers, Financial Institutions, and other organizations.

The Financial Well-Being Index Model is complemented by an Overall Well-Being Score for Canadians and global citizens.

By making the Financial Well-Being Index Model and Toolkit publicly accessible, the Financial Resilience Institute envisions it as a catalyst for informed decision-making and targeted interventions. The Institute invites stakeholders worldwide, Policymakers, Financial Institutions, and leaders in the social impact space to collaborate in fostering financial health, resilience, and equity across societies.

Financial Well-Being Index Model Overview

This section of the report discusses the Financial Well-Being Index Model Development Methodology background, the conceptual framework, and the model's validation and testing. The Financial Well-Being Index model, developed by the Financial Resilience Institute, builds on the Financial Well-Being Framework, longitudinal Financial Well-Being Studies and over ten years of longitudinal Financial Well-Being survey data.

Financial Well-Being

A state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow them to enjoy life [1]



Regressed against the dependent variable: one's level of financial stress over one's on-going and future financial obligations

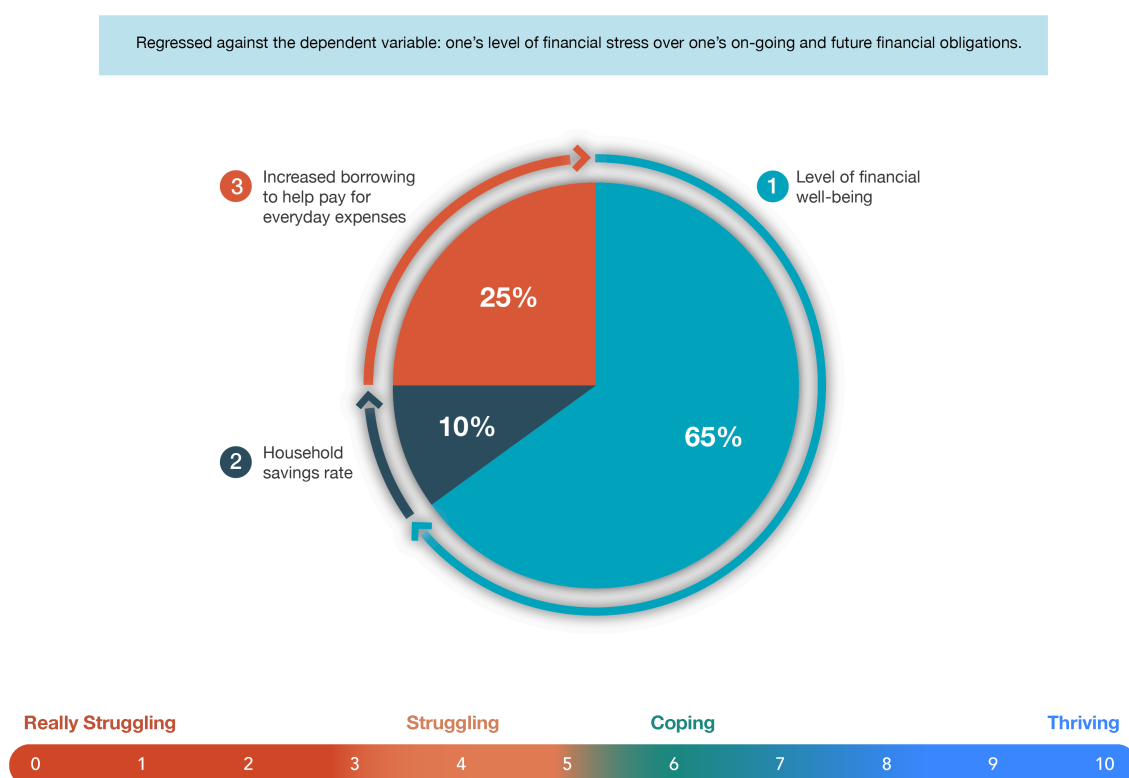
The Financial Well-Being Index Model provides a subjective measure of a person or household's financial well-being. Has three key indicators which are regressed against the dependent variable: *one's reported level of financial stress over one's ongoing and future financial obligations*. These indicators are:

- My level of financial Well-Being (on a scale of 1 to 10);
- Increased borrowing to help pay for everyday expenses
- Reported household savings rate

The model's indicator values are standardized into numeric scores and combined using a weighted formula, reflecting their relative contribution to overall financial well-being. The level of Financial Well-Being indicator is weighted at 65%; increased borrowing to help pay for everyday expenses is weighted at 25%, and the household savings rate indicator is weighted at 10%. The model's output is the Financial Well-Being Score.

The Financial Well-Being Index Model provides a simple, transparent financial well-being score for individuals or households at the national, regional, segment and individual household levels and can be applied across many countries and populations. It is a strong regression model, with the three indicators accounting for 88.9 percent in the variance in the financial well-being construct based on June 2024 data. All indicators are significant at a 95% confidence interval, with p-values less than 0.05.

Financial Well-Being Index model



Overall Well-Being Score Overview

Overall Personal Well-Being is defined as 'how people feel and how they function both on a personal and social level, and how they evaluate their lives as a whole.' This definition is based on Michaelson J, Mahoney S, Schiffer's J's 'Measuring Well-Being: A Guide for Practitioners'. New Economics Foundation, London, UK (2012). This characterisation points to well-being having multiple dimensions within and across the broad categories of emotion, behaviour, cognition, relationships and quality of life. Six personal well-being dimensions are measured by Financial Resilience Institute through the Overall Well-Being Score. This provides a subjective measure of Overall Personal Well-Being and can

complement the Financial Well-Being Index model and Score. It can also be used on its own for any Government or organization's focused on Overall Well-Being or Quality of Life.

The Overall Personal Well-Being Score is an average score across six well-being dimensions, measured and tracked by the Financial Resilience Institute since 2017, through its Financial Well-Being Study, conducted since 2017. These well-being dimensions are: financial well-being, emotional well-being/ mental health; physical health and well-being; satisfaction with work; relationships with friends and family and lastly, feeling connected with your neighbours and community.

Well-Being measured across Six Dimensions

Overall Personal Well-Being

How people feel and how they function both on a personal and social level, and how they evaluate their lives as a whole.

Overall Personal Well-Being Score

Average rating of a person's overall well-being on a scale of 1 to 10 measured across six well-being dimensions:

- 1 Financial well-being
- 2 Emotional well-being/ mental health
- 3 Physical health and well-being
- 4 Satisfaction with work
- 5 Relationships with friends and family
- 6 Feeling connected with your neighbours and community



Financial Resilience Institute recognizes that overall personal well-being is a highly complex construct, like financial well-being, and numerous dimensions may be measured. The six dimensions included in this Overall Personal Well-Being Score are not intended to be fully comprehensive, and this is a subjective personal Well-Being measure. As with the Financial Well-Being Index model and score, an individual or household's overall personal well-being score can be complemented by other data or health or well-being instruments as appropriate.

Financial Well-Being Index Model Development Methodology

The Financial Well-Being Index Model is based on a linear regression model developed based on the Financial Well-Being Framework and Financial Well-Being studies. It was developed based on an iterative process of regressing and evaluating many indicators against self-reported financial well-being measures using multiple linear regression techniques.

In the end, 3 variables were determined to account for 88.9 percent of the variance in the household financial well-being construct as of June 2024.

The regression model's indicators (independent variables) are all significant at a 95% confidence interval, with p-values less than 0.05.

The Model has been validated against 2024, 2023 and 2022 Financial Well-being Studies data. This has revealed consistency in results represented by a strong R-squared and highly similar weight of the independent variables as predictors of financial well-being.

The weighting for the 'level of financial well-being' indicator is 65%. The weighting for the 'borrowing to help pay for everyday expenses' indicator is 25% and the weighting for the 'Household Savings Rate' indicator is 10%.

Weightings are fixed and shared transparently so that any organization, country or individual can understand and measure the financial well-being of their citizens, consumers or customers.

The four segment descriptors based on the scoring model for the Financial Well-Being Index Model and Overall Well-Being Score were created by Financial Resilience Institute.

Index model Validation and Testing

There were many stages of Financial Well-Being Index model development and validation:

1. Development of the Financial Well-Being Framework (2016);
2. Development and analysis of the Financial Well-Being Studies (2017-2024) with validation of key indicators of financial health, financial resilience, financial stress, financial well-being and overall well-being;
3. Identification of potential indicators plus reference to academic research from Professor Elaine Kempson based on her Financial Well-Being conceptual model;
4. Conducting over 150 individual qualitative interviews with households in Canada around their financial well-being between 2016 and 2024;

5. Data collection for Financial Well-Being and Overall Well-Being scores development was conducted between 2017 and 2024;
6. Regression model development with different combinations of potential indicators tested and evaluated between August and October 2024;
7. Indicator selection and
8. Model validation leveraging multiple linear regression model technique.

A presentation slide with a dark blue gradient background. In the top left corner, the text "Seymour Financial Resilience Index®" is displayed in white. In the top right corner, the Financial Resilience Institute logo is shown, consisting of a teal hexagon icon and the text "Financial Resilience Institute" in white. Centered on the slide is the title "Financial Well-Being Index Model" in bold white font. Below the title, the subtitle "A publicly available instrument complemented by an Overall Well-Being Score for Global Citizens" is written in a smaller white font, followed by "Financial Resilience Institute" in the same font. At the bottom of the slide, a small white copyright notice reads: "© 2025 Financial Resilience Society dba Financial Resilience Institute. All rights reserved. Seymour Financial Resilience Index ® is a trademark used under license by the Financial Resilience Society."

Seymour Financial Resilience Index®

Financial Resilience Institute

Financial Well-Being Index Model

A publicly available instrument complemented by an Overall Well-Being Score for Global Citizens

Financial Resilience Institute

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Information on the Financial Well-Being Index Model Development Methodology is on the Institute's [website](#), and in the PowerPoint deck above available [here](#).

Steps for Financial Well-Being Index Model Scoring and Application

There are four key steps for measurement and tracking of the Financial Well-being Score and/or the Overall Well-Being Score at the national or country, regional, organizational, segment or individual household level. This User Guide outlines these four steps:

- Indicator questions are included in the survey as closed questions;
- Survey responses are standardized through numerical values;
- A weighted sum model is applied to calculate the Financial Well-Being Index Model score model and/or the Overall Well-Being Score; and
- Survey respondents are classified into four segments based on the scoring models (for the Financial Well-Being Index Model and the Overall Well-Being Score) from 'Really Struggling' to 'Thriving.'

Step 1: Inclusion of Survey Questions based on the Key Indicators

The following section outlines the questions for the survey aimed at assessing the Financial Well-Being Score and Overall Well-Being Score. The answers to these questions are self-reported. The answers will help evaluate both, allowing for a thorough analysis of respondents' financial well-being and overall well-being. Additional questions can be asked based on the indicators tracked, including but not limited to demographics.

Financial Well-Being Index Model Indicators

The three indicators outlined above are measured using the following questions:

	Key Indicators	Response Options
1.	Following are six aspects that can contribute to your overall personal well-being. How would you rate each aspect of your life at this time? Please use a scale of 1 to 10, where 1 is "Poor" and 10 is "Excellent." a. Financial well-being	Poor 1 2 3 4 5 6 7 8 9 Excellent 10
2.	To what extent do you agree or disagree with the following statement? Over the past year, I feel that: I've increased my borrowing to help pay for everyday expenses	a) Completely disagree b) Somewhat disagree c) Somewhat agree d) Completely agree

3.	What would you estimate your current household's saving rate to be? (i.e. the proportion of your total household income from all sources after tax that your household is saving for the short, medium or longer term)?	a) Negative – I/ we are drawing down on our savings b) 0% - my household is not able to save at all c) 1 to 5% d) 6 to 8% e) 9 to 10% f) 11 to 20% g) More than 20%
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Regressed against the dependent variable: *'one's level of financial stress over ongoing and future financial obligations. The question for the dependent variable is: 'Overall, how would you rate your level of stress over your current and future financial obligations, on a scale of 1 to 10, where 1 = 'not at all stressed' and 10 = 'Extremely stressed'.*

In other words, the three indicators are combined into an aggregated weighted score (or single composite index) that represents one's level of financial stress over one's ongoing and future financial obligations, with this a close and accurate measure of subjective financial well-being, as defined on page 5.

Overall Well-Being Score Indicators

	Key Indicators	Response Options
1.	<p>Following are six aspects that can contribute to your overall personal well-being. How would you rate each aspect of your life at this time? Please use a scale of 1 to 10, where 1 is "Poor" and 10 is "Excellent."</p> <p> a) Financial well-being b) Emotional well-being/ mental health c) Physical well-being d) Satisfaction with work e) Relationships with your friends and family f) Feeling connected with your neighbors and community </p>	Poor 1 2 3 4 5 6 7 8 9 Excellent 10

The six indicators are aggregated by computing their mean, resulting in an Overall Well-Being Score that represents how people feel and how they function both on a personal and social level, and how they evaluate their lives as a whole.

Step 2: Survey responses are standardized through numerical values

All responses need to be evaluated accurately according to the provided scoring tables.

Financial Well-Being Index model

Key indicator #1: Level of Financial Well-Being

For the indicator questions "How would you rate your financial well-being at this time?" on a scale of 1 to 10, where 1 is 'Poor' and 10 is 'Excellent', the selected responses are standardized to a value between 1 and 10, as indicated in the following table:

Key Indicator	Level of Financial Well-Being	Value
How would you rate your financial well-being at this time (on a scale of 1 to 10 where 1 is 'poor' and 10 is 'excellent'.)	Poor 1	1
	2	2
	3	3
	4	4
	5	5
	6	6
	7	7
	8	8
	9	9
	Excellent 10	10

Key Indicator #2: Increased borrowing to help pay for everyday expenses

For the indicator question "To what extent do you agree or disagree with the following statements? Over the past year, I feel that: I've increased my borrowing to help pay for everyday expenses" the selected responses are standardized to a value between 1, 4, 7 and 10, as indicated in the following table:

Key Indicator	Increased borrowing for everyday expenses	Value
To what extent do you agree or disagree with the following statements? Over the past year, I feel that: I've increased my borrowing to help pay for everyday expenses	Completely agree	1
	Somewhat agree	4
	Somewhat disagree	7
	Completely disagree	10

Key indicator #3: Household Saving Rate

For the indicator question, "What would you estimate your current household's saving rate to be?" the selected responses are standardized to a value between 1, 4, 7 and 10, as indicated in the following table:

Key Indicator	Household Savings Rate	Value
What would you estimate your current household's saving rate to be?	Negative – I/ we are drawing down on our savings	1
	0% - my household is not able to save at all	4
	1 to 5%	7
	6%+	10

Overall Well-Being model

For all the six dimensions of overall of overall personal well-being the selected responses are standardized to a value between 1 and 10, as indicated in the following table:

Key Indicators	Well-being Dimension	Value
Following are six aspects that can contribute to your overall personal well-being. How would you rate each aspect of your life at this time? Please use a scale of 1 to 10, where 1 is "Poor" and 10 is "Excellent." 1) Financial well-being 2) Emotional well-being/ mental health 3) Physical well-being 4) Satisfaction with work 5) Relationships with your friends and family 6) Feeling connected with your neighbors and community	Poor 1	1
	2	2
	3	3
	4	4
	5	5
	6	6
	7	7
	8	8
	9	9
	Excellent 10	10

Step 3: A weighted sum model is applied to calculate the Financial Well-Being Score and the Overall Well-Being Score

Financial Well-Being Index Model

Mathematical formula for the Financial Well-Being Index Model Score

Measuring financial well-being, which is a state of being wherein a person can meet their current and ongoing financial obligations, can feel secure in their financial future and is able to make choices that allow them to enjoy life, can be expressed using the following weighted sum model.

$$FWBS_r = \sum_{i=1}^3 w_i x_{ir}$$

Where:

- $FWBS_r$ is the Financial Well-Being score of the respondent r
- w_i is the weight of the indicator i^{th} .
- x_{ir} is the score of the indicator i^{th} of the respondent r
- i corresponds to each of the three indicators: "Financial Well-being", "Increased borrowing for everyday expenses", "Household Savings Rate"
- r is the respondent

Weights and Indicators

The Financial Well-Being Index Model incorporates three primary indicators:

Indicator	Weighting
Level of Financial well-being - x_1	65% - w_1
Increased borrowing for everyday expenses - x_2	25% - w_2
Household Savings Rate - x_3	10% - w_3
Regressed against the dependent variable: one's level of financial stress over ongoing future financial obligations	

Putting this all together:

$$Financial\ WellBeing\ score_r = 65\% \times Financial\ wellbeing_r + 25\% \times Increased\ borrowing\ for\ everyday\ expenses_r + 10\% \times HHSavings\ Rate_r$$

Since the Financial Well-Being indicator can take any value from 1 to 10, and both the 'Increased borrowing to help pay for everyday expenses' indicator and the 'Household Savings Rate' indicators can only take the values 1, 4, 7, or 10, each still within the range of 1 to 10 and because the weights for all indicators sum to 1 (i.e., $w_1 + w_2 + w_3 = 1$).

The resulting Financial Well-Being Score will be between 1 and 10. Specifically, because no indicator can contribute less than 1 or more than 10 to the weighted sum, the Financial Well-Being Index Score cannot fall below 1 or exceed 10. This ensures that the final composite measure is always represented on a uniform and interpretable scale.

Overall Well-Being Score

Mathematical Formula for the Overall Well-Being Score

Measuring the Overall Personal Well-Being score, *defined as how people feel and how they function both on a personal and social level and how they evaluate their lives as a whole*, can be expressed as an equally weighted average of six well-being indicators:

$$OWBS_r = \frac{\sum_{i=1}^6 x_{ir}}{6}$$

Where:

- $OWBS_r$ is the Overall Well-Being score of the respondent r
- x_{ir} is the scale of the i^{th} well-being indicator for respondent r , each measured on a scale from 1 to 10.

Weights and Indicators

The Overall Well-Being Score incorporates six indicators or dimensions of well-being, with equal weightings. These are outlined below:

Indicator	Weighting
Financial well-being	1/6
Emotional well-being/ mental health	1/6
Physical well-being	1/6
Satisfaction with work	1/6
Relationships with your friends and family	1/6
Feeling connected with your neighbors and community	1/6

Putting this all together:

$$\text{Overall WellBeing score}_r = \frac{x_{\text{Financial wellbeing},r} + x_{\text{Emotional wellbeing},r} + x_{\text{Physical wellbeing},r} + x_{\text{work Satisfaction},r} + x_{\text{Relationships},r} + x_{\text{Community Connectedness},r}}{6}$$

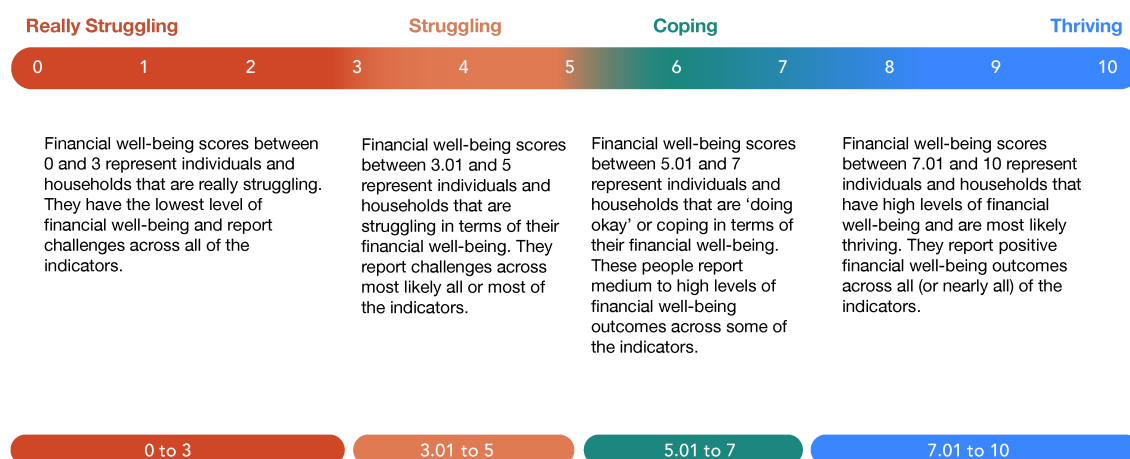
Since each of the six Overall Well-Being indicators can take any value from 1 to 10, and each is assigned an equal weight of 1/6 (so that the total weight sums to 1), the resulting Overall Well-Being score will also fall between 1 and 10.

Specifically, because no indicator value can be less than 1 or greater than 10, the weighted average cannot drop below 1 or exceed 10. This ensures that the final composite measure is always on a consistent and interpretable scale.

Step 4: Survey respondents are classified into four segments

Financial Well-Being Index Model: Scoring Model and Segments

Below is the scoring model, with households or individuals scored from 0 to 10 in terms of their financial well-being based on the Financial Well-Being Index Model indicators.



There are four financial well-being segments:

'Really Struggling' (with a financial well-being score of 0 to 3)

Financial well-being scores between 0 and 3 represent individuals and households that report they are really struggling. They have the lowest level of financial well-being, reporting challenges across all the measured indicators.

'Struggling' (with a financial well-being score of 3.01 to 5)

Financial well-being scores between 3.01 and 5 represent individuals and households that report they are struggling in terms of their financial well-being. They report challenges across most likely all or most of the measured indicators.

'Coping' (with a financial well-being score of 5.01 to 7)

Financial well-being scores between 5.01 and 7 represent individuals and households that report they are 'doing okay' or coping in terms of their financial well-being. They report medium to high levels of financial well-being outcomes across some of the indicators.

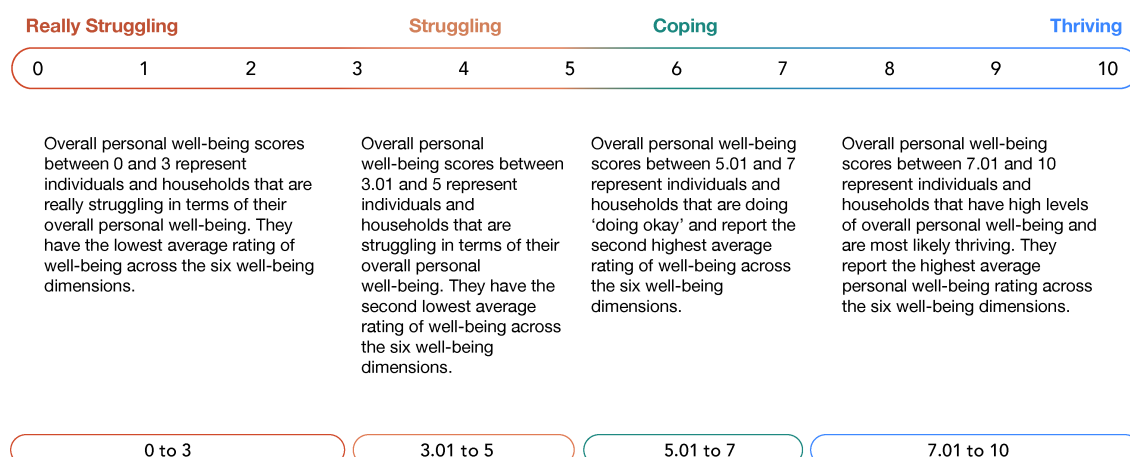
'Thriving' (with a financial well-being score of 7.01 to 10)

Financial well-being scores between 7.01 and 10 represent individuals and households that

report they have high levels of financial well-being and are most likely 'thriving'. They report positive financial well-being outcomes across all (or nearly all) of the indicators.

Overall Personal Well-Being: Scoring Model and Segments

Below is the scoring model, with households or individuals scored from 0 to 10 in terms of their overall personal well-being, based on the average score across the six well-being dimensions.



There are four overall personal well-being segments:

'Really Struggling' (with an overall personal well-being score of 0 to 3)

Overall personal well-being scores between 0 and 3 represent individuals and households that report they are really struggling in terms of their overall personal well-being. They report having very low ratings of well-being across all six well-being dimensions.

'Struggling' (with an overall personal well-being score 3.01 to 5)

Overall personal well-being scores between 3.01 and 5 represent individuals and households that report they are struggling in terms of their overall well-being. They report having low ratings of well-being across most of the six well-being dimensions.

'Coping' (with an overall personal well-being score 5.01 to 7)

Overall personal well-being scores between 5.01 and 7 represent individuals and households that report they are doing 'doing okay' overall. They report having an average or a high rating of well-being across most of the six well-being dimensions.




'Thriving' (with an overall personal well-being score 7.01 to 10)

Overall personal well-being scores between 7.01 and 10 represent individuals and households that report high levels of overall personal well-being and are most likely

‘thriving’. They report having a high rating of well-being across all six well-being dimensions.

Financial Well-Being Scoring Examples

To illustrate the manual scoring process, the following examples demonstrate how the Financial Well-Being Score is calculated for three individuals: Mary, Nancy, and Jaime. Each example includes their responses, the scoring for each response based on the provided tables, the weighted calculation of their scores, and the final Financial Well-Being Index Model.

			
	Nancy and John	Jaime	Aditi
Rating of my financial well-being on a scale of 1 to 10	4	7	7
Household saving rate	Negative	0%	6%+
Increased borrowing for everyday expenses	Completely Agree	Somewhat Agree	Completely Disagree

			
	Nancy and John	Jaime	Aditi
Financial well-being self-rating of 7 out of 10 * 0.653	4	6	7
+			
Household saving rate * 0.095	1	4	10
+			
Increased borrowing for everyday expenses * 0.251	1	4	10
=			
Financial Well-Being Score	2.96	5.30	8.03
Financial Well-Being Segment	Really Struggling	Coping	Thriving

Example 1: Nancy and John

- Responses:
 - Level of Financial Well-Being: 4 out of 10
 - Household Savings Rate: Negative
 - Borrowing for Everyday Expenses: Completely Agree
- Scoring for Each Response:
 - Financial Well-Being Self-Rating: 4
 - Household Savings Rate: 1 (for "Negative Household Savings Rate")
 - Borrowing for Everyday Expenses: 1 (for "Completely Agree")
- Weighted Score Calculation:
 - Financial Well-Being: $4 \times 0.65 = 2.61$
 - Household Savings Rate: $1 \times 0.10 = 0.10$
 - Borrowing for Everyday Expenses: $1 \times 0.25 = 0.25$
- Nancy and John's Financial Well-Being Score:
 - $2.61 + 0.10 + 0.25 = 2.95$
 - Nancy and John are 'Really Struggling'

Example 2: Jaime

- Responses:
 - Level of Financial Well-Being: 7 out of 10
 - Household Savings Rate: 0%

- Borrowing for Everyday Expenses: Somewhat Agree
- Scoring for Each Response:
 - Financial Well-Being Self-Rating: 7
 - Household Savings Rate: 4 (for a Household Savings Rate of 0%)
 - Borrowing for Everyday Expenses: 4 (for "Somewhat Agree")
- Weighted Score Calculation:
 - Financial Well-Being: $7 \times 0.65 = 4.55$
 - Household Savings Rate: $4 \times 0.10 = 0.4$
 - Borrowing for Everyday Expenses: $4 \times 0.25 = 1.00$
- Financial Well-Being Score:
 - $4.55 + 0.40 + 1.00 = 5.95$
 - Jaime is '*Coping*'.

Example 3: Aditi

- Responses:
 - Level of Financial Well-Being: 7 out of 10
 - Household Savings Rate: 6%+
 - Borrowing for Everyday Expenses: Completely Disagree
- Scoring for Each Response:
 - Financial Well-Being Self-Rating: 7 (as provided in the scoring table)
 - Household Savings Rate: 10 (for a Household Savings Rate of 6%+)
 - Borrowing for Everyday Expenses: 10 (for "Completely Disagree")
- Weighted Score Calculation:
 - Financial Well-Being: $7 \times 0.65 = 4.55$
 - Household Savings Rate: $10 \times 0.1 = 1.00$
 - Borrowing for Everyday Expenses: $10 \times 0.25 = 2.50$
- Financial Well-Being Score:
 - $4.57 + 1.00 + 2.50 = 8.05$
 - Aditi is '*Thriving*'.

Software-Based Scoring and the Financial Well-Being Scoring Tool

As part of the Toolkit, to combine with this User Guide, Financial Resilience Institute has developed a simple, user-friendly Financial Well-Being Scoring Tool for organizations or individuals wanting to use the Index model. In this way, they can easily calculate the financial well-being scores, and also the overall well-being scores of 7000 individuals or households based on the Financial Well-Being Index Model linked to an Overall Well-Being Score.

This tool also enables organizations or Users to easily calculate the Mean Financial Well-Being score and segment distribution of their individual stakeholders, and the Overall Personal Well-Being Score of their individual users, with snapshot reporting and visual charts that can be cut and paste into reports.

This free, user-friendly tool integrates the following steps:

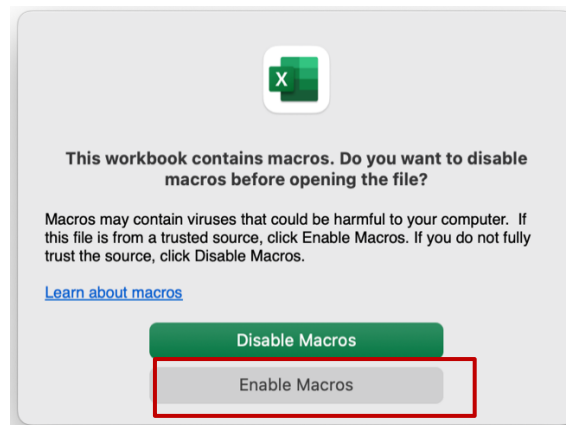
1. **Data input:** Users enter the raw data for the three financial well-being indicators directly into the spreadsheet.
2. **Score Calculation:** Once the data is entered, the tool automatically calculates the Financial Well-Being score for each respondent. The weighting and scaling are performed behind the scenes, eliminating the need for manual calculations.
3. **Segment Assignment:** Based on the calculated score, the tool automatically categorizes each individual or household into one of the four financial well-being segments: Really Struggling, Struggling, Coping, or Thriving.
4. **Mean Score and Summary:** The tool provides an initial summary and graphical representations of the results, which can be incorporated into reports.

While Excel is offered as a readily accessible solution, Users are encouraged to leverage any software platform they find convenient or efficient, such as Power BI.

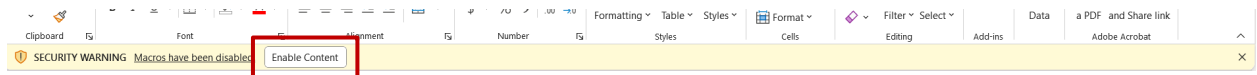
This tool is compatible with Power BI for any data visualization and analytics.

Enabling Macros for Full Functionality

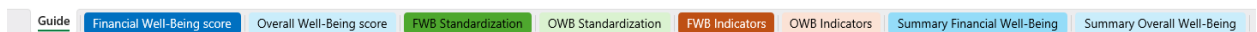
When opening the file, Users may see a pop-up message asking them to enable macros. It is important to allow macros to be activated, as failing to do so will limit access to some of the tool's automated features, including summary visualization. To ensure full functionality, click "Enable Macros" when prompted.



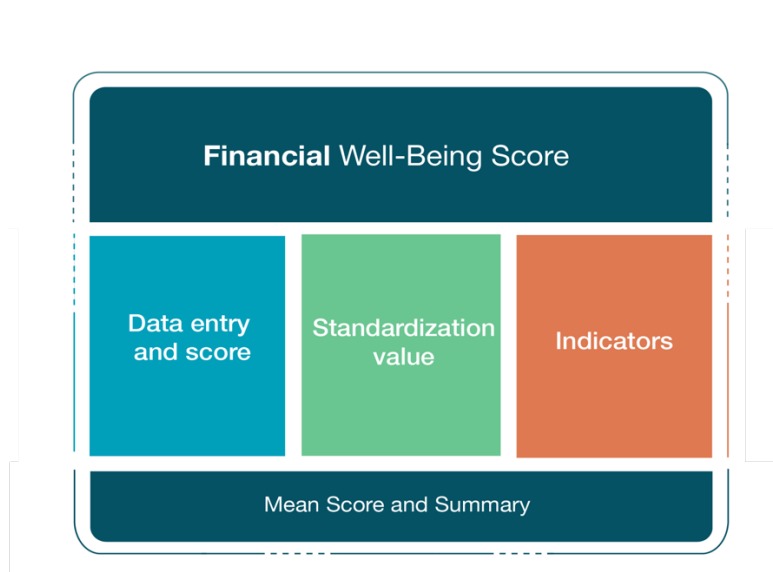
Users may potentially see a message stating that macros have been disabled. In such cases, they should manually enable macros by selecting "Enable Content" in the security warning bar or adjusting their Excel settings to allow macros from trusted sources.

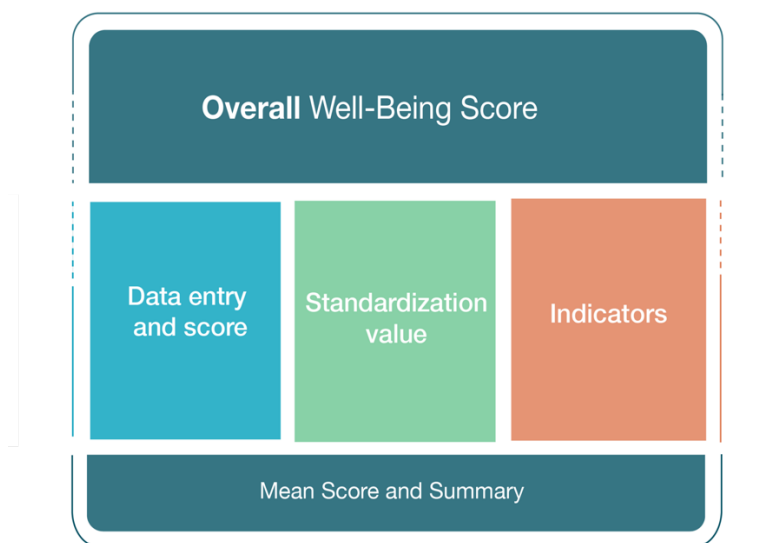


The Excel Scoring Tool consists of nine tabs, each playing a distinct role in collecting, analyzing, and interpreting data related to Financial Well-Being ('FWB' in the tab) and Overall Well-Being ('OWB' in the tab')



Tab 1: Guide





Serving as a simple orientation page, this tab provides basic instructions on how to use the tool. It outlines where to input data, which columns require manual entries, and how to read the automated results. There are no calculations here, just clear guidance to help users navigate the workbook.

Tab 2: Financial Well-Being Score

This tab captures information about each respondent's financial status and behaviour. It starts with the **Individual Code or ID**, ensuring each person is uniquely identified.

The user then inputs data under **My Financial Well-Being**, **Household Saving Rate**, and **Increased Borrowing to help pay for everyday expenses**.

From these responses, two critical fields, **Financial Well-Being Score** and **Financial Well-Being Segment**, are automatically calculated to provide quick insights into an individual's financial health. The **Financial Well-Being Score** and the **Financial Well-Being Segment** provide insights into an individual's Financial Well-Being Score and classify them into a Financial Well-Being Segment based on the scoring model.

Tab 3: Overall Well-Being Score

This tab aggregates six dimensions that can contribute to a person's overall personal well-being, with these tracked by Financial Resilience Institute through our Financial Well-Being Studies since 2016. After recording the **Individual Code or ID**, Users input ratings for their level of **Financial Well-Being**; **Emotional Well-Being / Mental Health**; **Physical Well-Being**; **Satisfaction with Work**; **Relationships with their Friends and Family**; and **Feeling Connected with their Neighbors and Community** at this time in their life, on a scale of 1 to 10, where 1 is "Poor" and 10 is "Excellent".

The tool auto-generates both the **Overall Well-Being Score** and the **Overall Well-Being Segment** for each individual respondent. The **Overall Well-Being Score** and the **Overall**

Well-Being Segment calculate an individual's Overall Well-Being Score, based on an average score across the six well-being dimensions, and classify households into an Overall Well-Being Segment.

Tab 4: Financial Well-Being Standardization

All raw numbers serving as inputs for the Financial Well-Being Score Calculations in Tab 2 are standardized. For each individual user, variables **Level of Financial Well-Being**, **Household Saving Rate**, and **Increased Borrowing to help pay for everyday expenses** are converted into uniform metrics. Standardization of the scales ensures accurate comparisons among respondents. These values are auto generated.

Tab 5: Overall Well-Being Standardization

This tab standardizes data for the Overall Well-Being Indicators in Tab 3. It includes consistent numeric representations of levels of **Financial Well-Being**; **Emotional Well-Being / Mental Health**; **Physical Well-Being**, **Satisfaction with work**; **Relationships with Friends and Family** and lastly, **Feeling Connected with your Neighbors and Community**. Standardization of the scales ensures accurate comparisons among respondents. These values are auto-generated.

Tab 6: Financial Well-Being Indicators

This tab includes the list and exact wording for the **Financial Well-Being Indicators** with the exact wording of questions which can be included, along with the respondent choices for the response. This complements the information also provided in the PowerPoint created by Financial Resilience Institute, available here:

<https://www.finresilienceinstitute.org/financial-well-being-model-and-score/>

Tab 7: Overall Well-Being Indicators

This tab includes the list and exact wording for the **Overall Well-Being** Indicators or dimensions, along with the respondent choices for response and scale of 1 to 10.

Tab 8: Financial Well-Being Summary

This tab is valuable for high-level reporting and analysis of Financial Well-Being Scores. Users can quickly see key statistics such as the Mean Financial Well-Being Score of the respondents and across different well-being segments (Really Struggling, Struggling, Coping, and Thriving). It includes automatically generated graphs for reports. All information on the tab updates dynamically as new respondents are added, ensuring the most recent data from "Tab 2" are taken into account.

Tab 9: Overall Well-Being Summary

This tab is valuable for high-level reporting and analysis of Overall Well-Being Scores. Users can quickly see key statistics such as the Mean Overall Well-Being Score of the respondents and across different well-being segments (Really Struggling, Struggling, Coping, and Thriving). This tool helps to automatically generate graphs for reports. All information on the tab updates dynamically as new respondents are added, ensuring the most recent data from "Tab 3" are calculated.

Through these nine tabs, Users can seamlessly navigate from reading the User Guide to entering data, standardizing values, and viewing automated scores for their stakeholders and organization at any point in time. This, combined with the User Guide and PowerPoint information around the model, combines the complete “Toolkit” for measuring and tracking households’ subjective financial well-being and their overall personal well-being through this Instrument. As appropriate, the Institute may develop other resources and supports for Users based on our resources.

The link to the Excel file is available on Financial Resilience Institute’s website at:
<https://www.finresilienceinstitute.org/financial-well-being-model-development-methodology/>

Potential Applications of the Financial Well-Being Index model

Financial Resilience Institute is making the Financial Well-Being Index Model available as a free, publicly available instrument and benchmark measure of subjective financial well-being and overall well-being globally. In this way, Policymakers, Financial Institutions, Financial Non-Profit Organizations, Employers and key stakeholders focused on financial health and financial well-being impact around the world globally can access a robust yet simple scoring instrument. This has the potential to become a standardized benchmark measure of subjective financial well-being. The Financial Well-Being Index Model based on reported data, can complement other transactional, banking, payment or other data on consumers in specific countries or collected by specific organizations such as banks as appropriate. Similarly, the Overall Well-Being score can complement other health and well-being data on citizens and key populations, including those who may face systemic barriers, be underserved by Policymakers or others, and/or may have lower levels of financial well-being.

This section highlights a high-level example of potential applications for the Financial Well-Being Index Model specifically. As the Index model is used and piloted with Financial Institutions and other organizations in 2025 and beyond, additional or different potential applications or use cases can be captured and shared as appropriate.

Financial Resilience Institute plans to introduce this tool and invite other organizations to pilot it in 2025. This will be a 'test and learn' year, where participants can provide feedback on its benefits and potential applications. Our non-profit organization can also provide use cases or share insights over time around how the Index tool is being used subject to our resources, to help inform evidence-based research, program or policy development or impact measurement by organizations. Organizations or individuals using the Financial Well-Being Index model and/or Overall Well-Being score must cite Financial Resilience Institute as outlined in the licensing agreement on page 35 of the appendices.

Organizations can use the Index tool themselves without any engagement with Financial Resilience Institute, by, for example, embedding the Index questions into their surveys and using the User Guide to calculate the individual and mean financial well-being score of their customers, employees or stakeholders, tracking this on an annual basis. In addition, organizations can work with the Institute for independent impact measurement and more customized analytics and tracking as required. Below are some examples of potential applications for the Financial Well-Being Index Model and Overall Well-Being score:

Policymakers and other Purpose-Drive Organizations

Individual countries, including developing countries, can measure and track the financial well-being of their citizens and of key populations including those who are more financially vulnerable, on an annual basis (or as frequently as they want) leveraging the Institute's Financial Well-Being Index Model. They can also track their citizens' or communities'

financial well-being and overall well-being and complement the Index and data with other data and impact measurement instruments. The Financial Well-Being Index Model can potentially serve as a standardized, simple benchmark measure for different countries and organizations, and be used with or without the Overall Well-Being score component.

Policymakers in Conflict Zones

Governments and Policymakers can use the Index Model and Toolkit to quickly gather and analyze data on the financial well-being of individuals or households in conflict-affected areas. Its ability to generate insights over a short period makes the tool valuable for emergency response scenarios, allowing Policymakers to implement timely interventions. By comparing populations in conflict zones with those in more stable regions, targeted policies and aid programs can be developed to enhance citizen's financial and overall well-being in more financially vulnerable communities.

Policymakers of countries or communities impacted by extreme weather events

Extreme weather events (fires, floods and extreme heat) are impacting many households and communities around the world. Governments or organizations can measure and track the financial well-being, and overall well-being, of citizens, customers or communities at given points of time, and pre-and-post extreme weather events.

Financial Institutions and Financial Well-Being Innovators

Financial Institutions ("FIs"), and indeed any organization focused on helping to improve the financial well-being, financial health, and financial wellness of their stakeholders can integrate the tool into their customer analytics to measure and track the financial well-being of their existing or prospective, customers or communities, including in key markets or for certain populations. The key indicator questions can be embedded into a FI's annual or other customer surveys. The Financial Well-Being Scoring Tool, compatible with PowerBI, can allow for fast and easy scoring of up to 7000 individual customers or stakeholders at a time.

They can measure and track the overall mean financial well-being score of their customers compared to non-customers on an annual basis, for example, and compared to a mean financial well-being score for their region or country, tracked annually. They can also track the overall well-being score of their customers, and other indicators and metrics, such as customer financial resilience (leveraging the Institute's Financial Resilience Index model). This Index model can complement and supplement other transactional, payment and banking data, or segmentation or financial health models based on transactional data. Financial Institutions and others can complement qualitative research insights and lived experiences for customers or others. They can potentially measure the impact of certain financial or other interventions or innovative financial well-being focused programs, services, education or offerings on improved financial well-being outcomes for their

customers or other stakeholders they serve, also with partners. The Index Model and Toolkit can complement other instruments, assets or data held by the FI or others. These also our Institute's Financial Resilience Index model and Financial Well-Being Studies instrument, with applications across many countries, and the ability for customized questions, benchmarking and longitudinal tracking and impact measurement to align with and support financial well-being targets and goal. The tool can help drive innovation in financial health and financial well-being products and services, serve as a brand differentiator for Financial Institutions, and strengthen their value proposition. It also supports customer retention, deepens relationships, and enhances financial well-being outcomes, while delivering measurable, tangible business, customer and social benefits for Financial Institutions and the communities they serve.

Community and Development Organizations and Cross-Sector Innovators

NGOs and social impact organizations can use the tool to measure the extent to which their programs or interventions may be helping to improve the financial and overall well-being, of their program(s) users or stakeholders. For example, they can measure the positive financial well-being (and overall well-being) outcomes of people living with low incomes or facing systemic barriers who are using their NGO's services within the financial empowerment sector or through social programs, pre-and post intervention(s): and compared to those who are not able to access these programs or help. Non-profit organizations, governments and partners can measure the improved financial well-being outcomes of people who do and do not face particular financial inclusion or access-to-help challenges, with this supporting data-driven decision-making and evidence-based policy development and program innovation, to support populations that need help the most.

Employers measuring their Employees' Financial Well-Being

Employers can apply the Financial Well-Being Index Model to understand, track and enhance the financial well-being of their employees, creating targeted support programs such as financial education workshops or enhanced benefits packages for certain employees, such as, new employees through onboarding; employees that are younger or have lower financial well-being scores. The Index model and Toolkit can complement and support Employers' Financial Wellness Programs and contribute to their Overall Well-Being Strategies, while delivering business, employee and social benefits, aligned with organizations' purpose, talent management strategies and business goals.

Other Institutes or Organizations

Organizations may have Financial Well-Being websites, Data Hubs or engagement tools to support purpose-led innovation. The Index and Toolkit can be integrated into these sites, and contribute to enhanced reporting, engagement, impact measurement or inspire new or enhanced programs and investments for good. This can ultimately help support systems change, in line with the world's [Sustainable Development Goals](#), targets and initiatives.

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- a) The Financial Well-Being Index Model;
- b) The Financial Well-Being Scoring Tool and
- c) The User Guide and Technical Information

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II. Additional Information about Financial Resilience Institute

Financial Resilience Institute's mission is to collaborate with financial institutions, policymakers, business leaders and partners to develop and implement solutions that improve financial resilience and financial well-being for all.

Meaningful Work, Positive Impact

Purpose

Building financial resilience and well-being together

Vision

To create a better world through improved financial resilience and financial well-being

We believe in the power of evidence to build resilience, improve lives and strengthen communities.

Financial services innovation, public policy and programs work best when rooted in data and facts. Our research and impact measurement, and cross-sector collaboration spark solutions in programs and practice. We're working to help people, businesses and communities to thrive and prosper.

We are a global leader in financial well-being measurement and innovation and created a robust Financial Well-Being Framework in 2016. Our organization has published many peer-reviewed reports, whitepapers and presentations on financial well-being since 2017. We have developed three instruments being levered as a community asset for good. These are:

1. The National Financial Well-Being Studies instrument (2017-2025) is currently conducted three times a year in Canada with applications for several countries;
2. The Financial Resilience Index model; and
3. The Financial Well-Being Index model, linked to an Overall Well-Being score. In addition, our organization has developed proprietary Financial Health Index models based on transactional data and other instruments in line with our Purpose. We conduct interviews with people around their financial well-being and partner with purpose-driven organizations to help them improve the financial well-being of their customers, employees and stakeholders at scale.

We measure and track household financial resilience, financial health and financial well-being through its longitudinal Financial Well-Being Studies and [peer-reviewed Financial Resilience Index model](https://www.finresilienceinstitute.org/financial-resilience-index-model/) ^[6] in Canada, with application for other countries. Our organization is also measuring financial inclusion and access-to-financial help challenges for populations

[6] <https://www.finresilienceinstitute.org/financial-resilience-index-model/>

overall and those who are more financially vulnerable; the impact of financial stress on peoples' mental and physical health, productivity and more; and financial well-being along with other well-being dimensions. We have published many reports on the financial well-being, financial health and financial resilience of Canadians since 2017, and consulted with many leading academics and financial well-being leaders and practitioners around the world as we have progressed financial well-being impact for over twelve years. More information about our non-profit's impact goals, programs and initiatives are available in our [2024 Impact Report](#). Our organization also works with leading Financial Institutions and other organizations to progress their financial well-being impact, because we believe in the power of evidence to build resilience, improve lives and strengthen communities. Financial services innovation, public policy and programs work best when rooted in data and facts. Our research, impacts measurement and spark solutions in programs and practice. We're working to help people, businesses and communities to thrive and prosper, while creating a better world.

The Institute in 2024 also released its free individual financial resilience score tool and bank of resources for Canadians and global citizens available [here](#).

Appendices B: Sample Institute Reports and Resources

Further information on the Index Model is available in the PowerPoint Deck at <https://www.finresilienceinstitute.org/financial-well-being-model-and-score/> and our reports are at <https://www.finresilienceinstitute.org/index-releases-and-reports/>

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