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# Measuring Financial Health around the Globe: Survey Manual



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## Measuring Financial Health around the

# Globe: Survey Manual

What constitutes financial health? Defining this conceptually, and constructing a simple empirical measure, is challenging. The idea of financial health is abstract and combines multiple indicators and concepts. Moreover, financial health is not necessarily tied to the usage of formal financial products, and thus cannot be measured solely through financial access indicators as it is possible to be financially healthy outside of the formal financial system. Any measure of financial health must also be able to capture less easily observable indicators such as financial management behaviors, as well as informal planning and coping mechanisms such as social networks. Financial health may also include subjective measures of wellbeing, stress, or satisfaction with one's own position in life.

We argue for a simple, transparent conceptualization of financial health. We start with a theoretical, almost definitional, assertion: finance is about moving money across time, space, and risky outcomes. We propose three primary concepts that encompass financial health: Access-to-Funds, which is a final outcome construct, and Access-to-Finance and Financial Behavior, which are intermediate constructs that each incorporate several components.

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