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Financial health in review: current practices in different financial authorities

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Contents

Financial health in review: current practices in different financial authorities[1]

Executive summary

This paper presents a stocktake of how national financial authorities are approaching financial health. It does not offer recommendations but aims to share insights from seven financial sector authorities, spanning both advanced economies (AEs) and emerging market and developing economies (EMDEs), to support peer learning and inform future discussion and efforts.

Financial health – or financial well-being[2] – is a multidimensional concept, which is related to financial inclusion but goes beyond. The working definition developed under the G20 Global Partnership for Financial Inclusion (GPFI) provides the four dimensions of people's financial well-being as "a state in which (1) individuals are able to smoothly manage their financial needs and obligations, (2) can cope with negative shocks, (3) can pursue aspirations, goals and capture opportunities, and (4) feel satisfied and confident about their financial lives, keeping in mind country specific circumstances".[3] Many factors influence financial health, including a broad range of policies, from macroeconomics to financial regulation. While related to financial inclusion, consumer protection and financial literacy, financial health goes beyond access and capability – financial health focuses on real-life outcomes and well-being.

While financial inclusion, regulation and consumer education are key interconnected pillars, financial health also depends on broader socioeconomic and behavioural factors. Financial inclusion ensures access and use of services; regulation provides safeguards; and education enhances financial capability. Inclusion alone does not guarantee well-being. It has to be supported by effective financial regulations that address market failures and reduce risks that threaten consumers and financial stability. It also needs to be complemented by financial education to help consumers make better financial choices. A comprehensive financial health approach enables authorities to assess well-being across multiple dimensions and guide targeted interventions. In resource-constrained settings, existing tools – such as prudential and consumer protection frameworks and financial inclusion and literacy strategies – can be leveraged to promote financial health effectively.

Growing complexity in financial systems and rapid innovation have made financial health increasingly relevant. Consumers face a wide array of products and delivery channels, yet many lack the expertise to make informed decisions. Financial education is essential to build capability, but it cannot keep pace with the demands of innovation alone. A combined approach, integrating education with strong consumer protection and effective prudential regulation, is necessary to foster financial health. Regulatory frameworks must address market imperfections, such as inappropriate business conduct or systemic risks, which can undermine consumer well-being even when access is available. For financial inclusion to yield meaningful development outcomes, consumers must be able to assess the risks and benefits of innovative financial services, which must be delivered in a secure, transparent and equitable manner.

Financial health has gained prominence in global policy agenda, including the GPFI Financial Inclusion Action Plan, the Brazilian G20 Presidency and updated Organisation for

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2 The terms financial health and financial well-being are used interchangeably throughout this paper.

3 G20 GPFI (2024).

Economic Co-operation and Development (OECD) principles. The GPFI 2023 Financial Inclusion Action Plan notes that financial well-being is an outcome of advancing quality financial inclusion, and the 2024 Brazilian G20 Presidency elevated financial well-being as its core priority. Financial well-being is also a cross-cutting theme in the updated G20/OECD High-Level Principles on Financial Consumer Protection and is an explicitly ascribed goal of financial literacy policies and programmes in the OECD recommendation on financial literacy. Moreover, in 2024, the mandate of the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA) evolved from financial inclusion to financial health.

This paper draws on desk research and interviews with seven national financial authorities to understand how financial health is being defined, measured and integrated into policy frameworks, highlighting differences and commonalities in their approaches. Some key observations emerged from this stocktake of country experiences:

- Many financial authorities have a single financial health or well-being score, while others look at multiple measures. In both cases, the scores and measures are meant to capture the different dimensions of financial health covered in authorities' definitions. All authorities use both subjective and objective elements in assessing financial health, but the balance of these elements differs.
- While data collection and monitoring for all financial authorities are based on surveys, the frequency and the scale of the surveys vary, consequently affecting the depth, quality and comparability of the data. Financial authorities also described different challenges in their data collection and monitoring efforts, many of which reflect their institutional and jurisdictional contexts.
- Information on financial health has enabled programme and policy interventions that focus on targeted consumer education and protection, and some authorities are thinking of other potential uses. These include leveraging financial health data to enhance financial institution's internal processes, including customer risk assessments and the strategic marketing of products and services. Financial health data can also strengthen consumer protection regulation, influence prudential regulation and provide supervisory insights to institutional risk-taking, identifying potential misconduct and anticompetitive behaviour.
- Financial health data gives regulators a people-centred perspective, highlighting that risks in the financial system directly affect individuals and, conversely, individuals' behaviours and circumstances can influence financial stability.

As international efforts on financial health continue to evolve, there is growing opportunity to assess how these frameworks and metrics are being applied in both AEs and EMDEs. Countries are increasingly linking a few narrowly defined financial health indicators to financial sector policies. Standardised – yet locally adaptable – metrics may inform prudential and consumer protection policies, financial education strategies and other financial inclusion initiatives. At the same time, challenges with survey-based data will need to be considered. For financial authorities and policymakers, this presents an opportunity to better identify financial vulnerabilities, increase the quality of financial products and services, target interventions and monitor progress. Improving financial well-being requires a holistic approach where financial institutions, regulatory bodies, non-financial authorities and civil society actors work together towards common goals. By advancing common definitions, measurement approaches and a growing catalogue of policy actions, the international community can share best practices, foster innovation and strengthen financial well-being globally.

Section 1 – Introduction

1. **The G20's Global Partnership for Financial Inclusion (GPFI) established a working definition of financial health (also referred to as financial well-being) in 2024.**[4] The working definition highlighted the multidimensional nature of financial health / financial well-being and referred to it as "a state in which (1) individuals are able to smoothly manage their financial needs and obligations, (2) can cope with negative shocks, (3) can pursue aspirations, goals and capture opportunities, and (4) feel satisfied and confident about their financial lives, keeping in mind country specific circumstances".[5]

2. **This working definition makes it clear that a host of factors affect financial health.** These factors include the level and stability of personal income, financial knowledge and behaviour, the accessibility and quality of financial services, social safety nets and the business or economic cycle. Financial health is thus impacted by a broad range of policies, from macroeconomics to financial sector policies, as well as different players both within and outside of the financial sector. However, this wide scope poses challenges for measurability, as it complicates efforts to isolate and assess the relative contribution of each factor. Connecting these elements in a coherent framework requires multidimensional approaches that reflect the complexity of financial health.

3. **Recent developments at the international level have put the spotlight on financial health.** For example, the 2022 revision of the G20/OECD High-Level Principles on Financial Consumer Protection – the international standard for comprehensive and effective financial consumer protection frameworks – included financial well-being as a cross-cutting theme.[6] In addition, the then United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA) shifted her mandate from financial inclusion to financial health and is now known as the Special Advocate for Financial Health.[7] Moreover, the 2024 Brazilian G20 Presidency included the analytical work on financial well-being as part of its priorities under the financial inclusion track spearheaded by the G20 GPFI.

4. **Within the financial sector, financial authorities can contribute to financial health through their role in fostering financial inclusion, establishing sound financial regulations and enhancing financial literacy/capability.**[8] Being financially included allows individuals to, among other things, borrow, accumulate and draw on savings, invest, and buy insurance. Hence, expanding access and use of financial services provides more individuals with the tools that can contribute to improving their financial health. Financial regulations seek to ensure sound, safe and fair practices – as well as to maintain financial stability – to avoid harmful impacts on financial consumers. Financial literacy provides individuals with knowledge, skills, behaviours and attitudes that are necessary to make sound financial decisions.[9,10]

[4] Financial health is used throughout the paper except when referring to the work of specific authorities/organisations that refer to the concept as financial well-being.

[5] G20 GPFI (2024).

[6] G20/OECD (2022).

[7] See UNSGSA webpage: Financial Health | United Nations | UNSGSA Queen Máxima.

[8] The role of setting monetary policy played by financial authorities (particularly central banks) – which influences financial health through its impact on inflation, borrowing cost and spending – is not covered in this paper.

[9] G20/OECD (2021).

[10] Financial capability is a similar concept. World Bank (2021) defines financial capability as "the capacity to act in one's best financial interest, given one's socioeconomic and environmental conditions … encompasses the knowledge, attitudes, skills, and behaviours of consumers with regard to managing their resources and understanding, selecting, and making use of financial services that fit their needs". The two terms are used interchangeably in the paper.

5. **At the national level, some financial authorities are actively measuring and monitoring financial health.** While financial authorities typically have policies and initiatives in place that are relevant for financial health (ie financial inclusion, financial regulation, financial literacy), not many have explicitly defined, measured and monitored the concept. Nevertheless, financial authorities in some advanced economies (AEs) and emerging markets and developing economies (EMDEs) do so. These include the Australian Securities and Investments Commission (ASIC), the Central Bank of Brazil (BCB), the Financial Consumer Agency of Canada (FCAC), Central Bank of Jordan (CBJ), Central Bank of Kenya (CBK), the UK Money and Pensions Service (MaPS) and the US Consumer Financial Protection Bureau (CFPB). Outcomes of their financial health monitoring are informing financial capability programmes and initiatives and their broader financial policies. Authorities in other jurisdictions are also planning to start their work on financial health monitoring.

6. **This paper provides a stocktake of different approaches and practices by national financial authorities on financial health.** By showcasing live approaches and practices, it aims to contribute to raising awareness among financial authorities about the concept of financial health, as well as to provide insights to other national authorities that may be planning to actively work on financial health issues. It can also inform further work on financial health at the international level. Section 2 starts by outlining some of the areas in which financial authorities can contribute to financial health. Section 3 provides an overview of the emerging international work on financial health. Section 4 discusses the financial health work of the above-mentioned authorities based on relevant published reports and interviews with the authorities.[11] Section 5 concludes.

Section 2 – Financial inclusion, financial regulation and financial literacy

7. **Financial inclusion strategies in many jurisdictions have been instrumental in extending access to and use of financial services by previously unserved and underserved segments of the population.** Definitions of financial inclusion typically incorporate the three core elements of access, usage and quality. The World Bank defines financial inclusion as individuals (and businesses) having access to and using affordable financial services that meet their needs, which are delivered in a responsible and sustainable way.[12] National and international efforts to help foster financial inclusion, including the promotion of digital financial services, have yielded results. From only 51% in 2011, 79% of adults in 2024 had access to accounts at financial institutions and/or with mobile money providers. Use of financial services has also significantly increased, albeit it remains significantly lower compared with access to financial services.[13]

8. **Access alone may not be sufficient to contribute to financial health.** For example, mobile money has helped to significantly increase access to transaction accounts in EMDEs, but this may not automatically translate to an increase in financial health of the population. This was the case in Kenya, where, recognising that other macroeconomic or external facts may be at play, the opposite was observed.[14] Indeed, while access to accounts provides individuals channels through which they can obtain

[11] For CFPB, information is based only on relevant published reports.

[12] See the World Bank's webpage: "Financial inclusion".

[13] World Bank (2025).

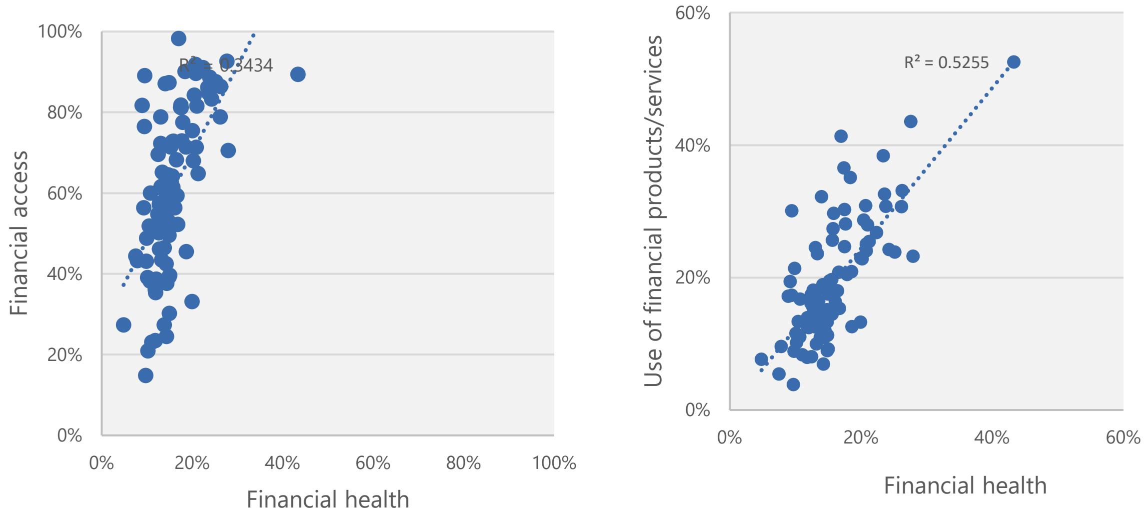
[14] CBK (2024).

tools to manage their financial health, actual use of financial services is more important. Metrics built using data from the Global Findex 2025 show this stronger relationship (Graph 1).[15,16]

Access and use of financial services and financial health[1] Graph 1

A. Access to financial accounts and financial health

B. Use of financial products/services and financial health



[1] Each dot represents a country in 2024.

Source: World Bank 2025 Global Findex Database.

9. **Financial regulation plays a critical role in safeguarding the interests of users of financial services by promoting stability, fairness and resilience in the financial system.** There are two main types of financial regulation: prudential regulation and conduct of business regulation. Both types are meant to achieve the three core objectives of regulation identified in Llewellyn (1999): (i) to sustain systemic stability; (ii) to maintain the safety and soundness of financial institutions; and (iii) to protect the consumer.[17] Prudential regulation focuses on the safety and soundness of individual financial institutions (microprudential) and the stability of the system as a whole (macroprudential).[18] Conduct of business regulation focuses on how financial institutions conduct business with their customers (ie consumer protection).

10. **By safeguarding the interests of financial consumers, regulation contributes to their financial health.** A failure of a financial institution may cause direct losses for its customers. It could also

15 Financial use was measured as the average percentage of survey respondents who are saving and borrowing formally and who are making regular payments to insurance agents or companies. Financial health was measured as the average percentage of survey respondents who are paying off credit card balances in full by due date, find it possible and not difficult to come up with emergency funds in 30 days, are saving for old age and are able to cover more than two months of expenses in case household loses its main source of income.

16 See also Cantú et al (2024), which shows similar strong association between use of financial products/services and financial health using 2021 Global Findex data and slightly different metrics.

17 Llewellyn (1999) also provides a good discussion of the economic (including consumer welfare) rationale of financial regulation.

18 The traditional view considers the two objectives as closely and directly linked, ie ensuring the safety and soundness of individual financial institutions can lead to systemic stability. However, experience during the Great Financial Crisis shows that the former does not automatically lead to the latter (see, for example, Borio (2018)).

lead to adverse effects on systemic stability, which, in turn, could have a broader impact on consumers. Inappropriate business conduct by financial institutions could lead to consumer loss, as consumers could end up with financial products and services they do not need or may be harmful to them. Such misconduct can also lead to consumer distrust in the financial system, which, in turn, can lead to reduced demand for financial products and services. The interests of the consumers are as much compromised by this reluctance to use financial products as they are by using inappropriate products.

11. **Prudential regulations and financial health can be seen as mutually reinforcing.** Risk-taking by financial institutions that are not supported by sufficient solvency and liquidity and risks arising from interconnectivity of financial institutions ultimately affect financial consumers. Prudential requirements addressing these risks (eg capital and liquidity requirements) can therefore be viewed as shielding consumers from harmful impact. At the same time, the level of financial health of consumers determines whether they are able to fulfil their contractual obligations with their financial institutions. This, in turn, would have implications for the level of risks in financial institutions and the financial system. Hence, some prudential requirements, such as debt-to-income or loan-to-value ratios, can also be seen as safeguarding the financial health of customers.[19]

12. **The relationship between financial health and conduct of business regulations – or financial consumer protection regulations – is more apparent and straightforward.** These regulations seek to address vulnerabilities of financial consumers to business misconduct by financial institutions. These vulnerabilities are due to lack of information on the part of consumers and to incentives of consumers and financial institutions that may not be aligned. Concrete examples of such regulations include mandatory information disclosure and fair business practices requirements (eg in how products are marketed, in the provision of financial advice).[20]

13. **Regulations – and their enforcement through supervision – provide the minimum standards of conduct applicable to all financial institutions.** Even if financial institutions would like to conduct business in a manner that is safe and sound and fair to customers, incentives may exist to do otherwise, such as to gain business advantage or the lack of guarantee that competitors will conduct business in an appropriate manner. In the absence of regulations, "responsible" financial institutions may be driven out by "irresponsible" institutions, as the latter may undercut the former (adverse selection); thus, "responsible" institutions are induced to behave like "irresponsible" institutions (moral hazard). Regulations avoid these problems by offering a guarantee that all financial institutions behave within certain standards. Global regulatory standards go further by ensuring that same standards apply to financial institutions wherever they operate.[21]

14. **Financial authorities' other policies and programmes also foster safe, trustworthy, inclusive and user-friendly solutions that benefit financial consumers.** For example, central banks in many jurisdictions are involved in either mandating or encouraging open banking/finance.[22] While still in its early days, open banking/finance has the potential to improve competition and lead to a wider selection of financial products and services. This could, in turn, provide consumers with choices that better address

[19] Such requirements may also be considered as financial consumer protection requirements – see World Bank (2022).

[20] G20/OECD (2022) establishes the international standard for financial consumer protection frameworks.

[21] Global regulatory standards are issued by standard-setting bodies, such as the Basel Committee on Banking Supervision (BCBS), the Financial Stability Board, the International Association of Insurance Supervisors, the International Organization of Securities Commissions and the OECD.

[22] BCBS (2024).

their financial needs, thus contributing to their financial health.[23] Moreover, financial authorities play critical roles in providing digital public infrastructures that benefit financial consumers.[24]

15. **Beyond regulations, consumers' financial choices also influence their financial health.** Consumers may be prone to making adverse financial decisions, such as taking on too much debt, misunderstanding investment risk and choosing financial products that do not match their needs.[25] When making these decisions, consumers are subject to behavioural biases that are influenced by psychological experiences, by rules of thumb and by accepted norms (eg bias towards short-term payoffs or the status quo). How financial institutions present their products and services to consumers can ease or exacerbate these biases. For example, a consumer may take out a high-interest payday loan for quick cash, overlooking more affordable credit options due to present bias and limited financial understanding**.** Financial institutions therefore have a role to play by presenting products transparently and avoiding practices that exploit consumer biases – such as emphasising appealing features while downplaying less favourable aspects.

16. **The fast pace of financial innovation, while bringing benefits to financial consumers, also poses new or exacerbates existing risks.** Financial innovation has created more choices but also a more complex world for financial consumers, with wide availability of financial products and services, intricate delivery channels and significant consequence of financial choices. At the same time, a typical financial consumer may lack the expertise to make sophisticated financial decisions since such decisions are infrequent over the lifetime of the consumer. Financial consumers therefore are faced with demands for financial sophistication and knowledge to navigate safely through the increasingly complicated financial system that financial innovation brings.[26]

17. **To address these challenges for financial consumers, a rising number of jurisdictions have enacted financial literacy strategies in recent years to enable consumers to make better financial choices.[27]** Many of these jurisdictions are in EMDEs (Graph 2); and in many cases, financial authorities, particularly central banks, are key players in these strategies. In general, these financial literacy strategies aim to enhance consumer understanding of financial issues to enable them to use information and make informed decisions. This ensures that the financial decisions they make meet their needs and contribute to their well-being.[28]

[23] Cantú et al (2024).

[24] Examples are Pix in Brazil and the Unified Payments Interface in India.

[25] See for example Campbell (2016) and Badarinza et al (2016).

[26] Lane (2017).

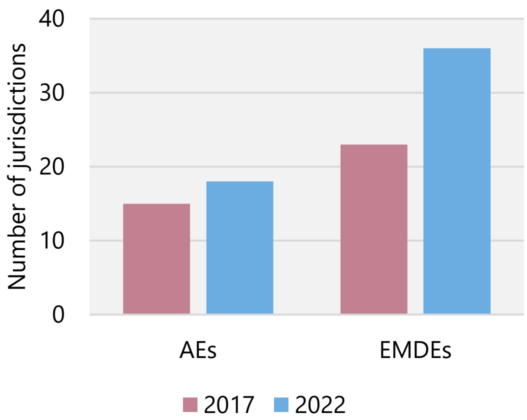
[27] See Cantú et al (2024) and World Bank (2022).

[28] See also OECD (2020) on recommendations on financial literacy.

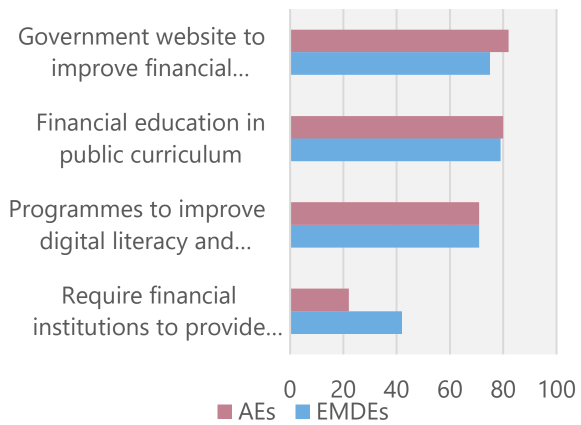
Significant increase in emerging market and developing economy (EMDE) jurisdictions with financial literacy strategies

Graph 2

A. A growing number of jurisdictions have a financial literacy strategy[1]



B. Elements of financial literacy strategies include websites, public curricula and digital literacy[2]



[1] Number of jurisdictions where a financial capability/literacy strategy exists. The same sample of jurisdictions was used in 2017 and 2022. [2] Data for 2022.

Source: World Bank.

18. **Financial health provides a unifying focus for financial inclusion, financial regulation and financial literacy, as well as other factors/policies that support it.** Individually, each appears to have its own objectives. Inclusion expands access and use, regulation provides safeguards and literacy equips individuals with knowledge and skills. However, there is now increasing recognition that all of them are eventually working towards a common goal. Achieving this common goal requires a coordinated approach. This recognition has led to the emergence of financial health as a more holistic and outcome-oriented concept, which the next section explores in greater detail.

Section 3 – The emergence of the concept of financial health

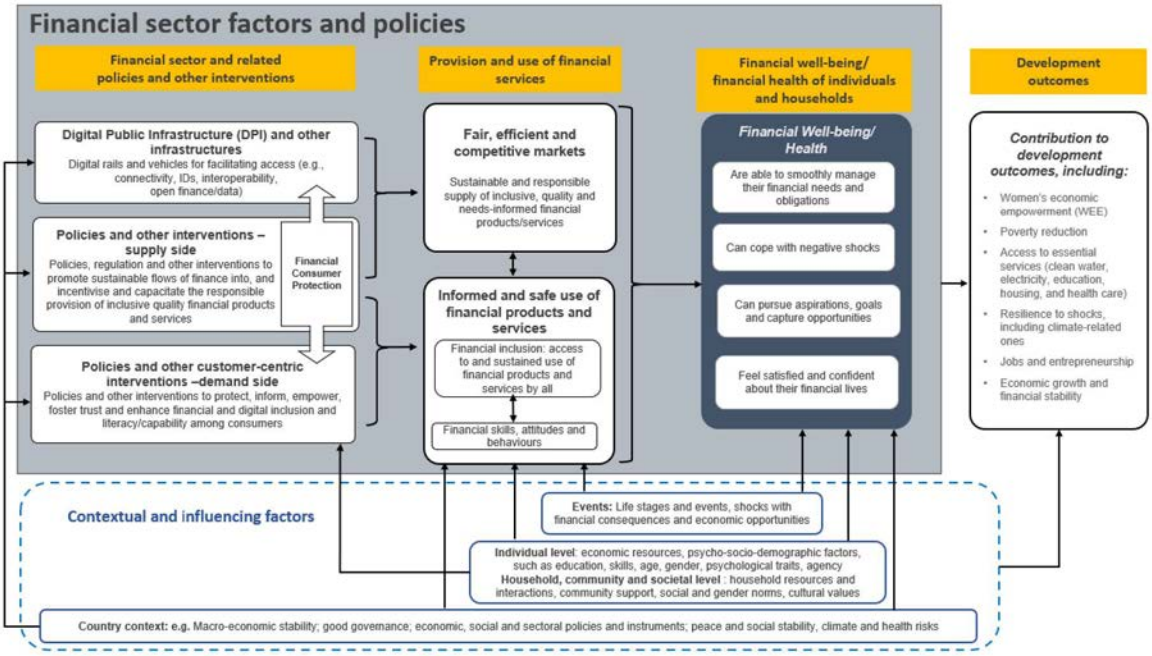
19. **Financial health has emerged as an evolving and increasingly prevalent concept over the last 20 years, through national and international initiatives.**[29] While the concept has varying definitions, financial health typically centres on the notion of individual resilience to weather income shocks and encompasses elements of financial outlook towards the future, such as reaching goals. Definitions may also incorporate consumer sentiment, such as the consumer sense of confidence.[30] Figure 1 shows the preliminary theory of change for financial well-being as defined in G20 GPFI (2024).

[29] See for example Joo (2008), who mentions the multidimensional concept of financial wellness.

[30] UNSGSA Financial Health Working Group (2021).

G20 Global Partnership for Financial Inclusion (GPFI) theory of change for financial well-being

Figure 1



Source: G20 GPFI (2024).

20. **Determining which measurable outcomes are specific to financial health is an ongoing endeavour in both national and international efforts.** Financial health has increasingly been used as a framework by which to measure outcomes of consumer financial lives, whether on a daily or long-term basis.[31] The concept of financial health takes a customer-centred approach in determining outcomes in financial lives. The different dimensions of financial health incorporate both objective and subjective measures. As reviewed in the G20 GPFI (2024), several frameworks have been developed to assess financial health, with varying approaches to the measurement of objective criteria and methods for data collection. Noted methods include the Financial Health Network's (FHN) financial health measure, which considers objectively, externally observable behaviours of financial health and dimensions of financial security and control but does not measure financial health outcomes.[32] Various international approaches have since been developed by Gallup, Innovations for Poverty Action (IPA), the World Bank Global Findex survey and the OECD/INFE Survey of Adult Financial Literacy, among others. The United Nations Capital Development Fund (UNCDF) proposed a framework of considerations to factor into potential approaches for measuring financial health that addresses the multifactor nature of the concept, incorporating context, financial inclusion, a variety of data and considerations of outcomes (Figure 2). The UNSGSA's Financial Health Working Group also proposed key criteria for measurement approaches: locally contextualised, simple and

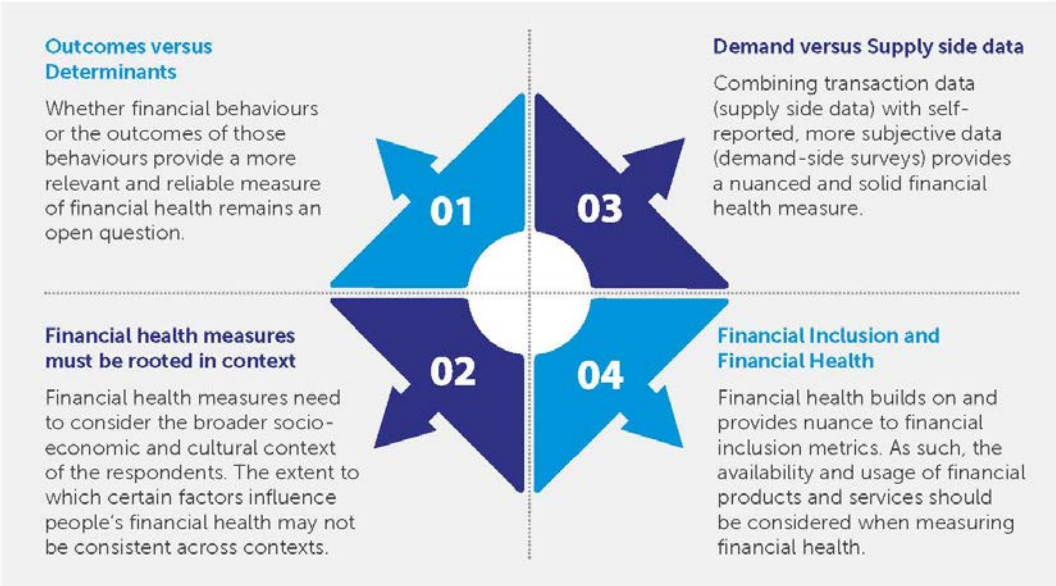
[31] CFSI (2017).

[32] UNCDF (2022).

inexpensive, actionable, and comparable over time and internationally. These criteria could be deployed through a national financial health survey module.[33]

Considerations when measuring financial health

Figure 2



Source: UNCDF (2022).

Evidence of the drivers of financial health

21. **Establishing financial health as a concept has first required disentangling it from income effects.** A literature review by Cenfri found that while financial health does have a strong association with income, with lower income populations having lower financial health, surveys demonstrate that levels of financial health vary even within income segments.[34] However, individuals with lower education levels have financial health scores similar to those with higher educations, suggesting that the association between education and financial well-being is unclear and that resource management strategies deployed by those with lower educations may contribute to financial health.[35] While the value of measuring financial health may have less validity as a measure for the poorest of the poor, it can provide insights beyond income.

22. **The relationship between financial inclusion and financial health requires further research.** The same Cenfri review found contradictory studies with unclear associations between expanded access and usage of financial services. This may also be a function of whether studies are using basic access to transaction accounts or deeper use of a range of financial services as a proxy for financial inclusion. For example, in some cases, such as in South America, financially included people demonstrated less financial

33 UNSGSA Financial Health Working Group (2021).

34 Cenfri (2020); G20 GPFI (2024).

35 Cárdenas et al (2021).

vulnerability,[36] but in Kenya, where financial access is nearly universal, financial security (ie financial well-being or financial sufficiency) has not been associated with financial access.[37] This aligns with previous thinking on financial access being important but insufficient on its own to support development outcomes: rather, financial access has traditionally been seen as a gateway towards broader financial inclusion, which allows consumers to use affordable financial products and services (delivered in a responsible and sustainable way) to manage risks, build wealth and invest.

23. **Evidence on the drivers of financial health has thus far been limited to national-level research, with only a few cross-jurisdictional studies**. Recent work from the 2024 Brazilian G20 Presidency has reviewed research on the relevance of financial sector factors and policies with relation to financial health outcomes. In the G20 GPFI conceptual framework for financial health, elements such as individual, household/family, community, societal and country factors are considered contextual and influencing factors to individual financial health. Though further research is needed, analysis thus far suggests that the following financial sector factors have associations with financial health:

- **Formal financial inclusion**. Varied associations have been found between access and usage of quality (encompassing suitability, affordability and safety) financial services and financial health outcomes, with savings-related behaviour having a greater effect on average financial health than credit behaviour.[38]
- **Financial capability**. CFPB has analysed the associations between financial capability factors (such as financial knowledge, skills and behaviour) and financial situation and financial health, suggesting a strong potential role for financial education in improving financial health.[39] A CAF – Development Bank of Latin America and the Caribbean survey of Latin America similarly found that better financial practices associated with financial capability (such as price comparison and seeking advice when acquiring a new financial product) are associated with better rates of financial health.[40]
- **Financial consumer protection and market conduct**. In a range of economies, factors such as the availability of information on financial products and services have a significant effect on financial health, demonstrating the importance of adequate financial consumer protection in ensuring appropriate disclosure and transparency.[41] CAF (2021) confirmed that the ability for consumers to compare different financial service providers before acquiring a product for them was associated with higher financial health. Indeed, competition should lead to better-designed financial products, lower prices and improved services.

International engagement

24. **In recent years, both the progress in advancing financial inclusion and emerging risks for consumers (such as over indebtedness) have helped drive increased global interest in financial health.** Whereas financial health frameworks were initially developed in AEs like the United States, as financial inclusion has progressed, EMDEs have begun to adapt the methodologies to assess financial

[36] Arellano et al (2019).

[37] CBK (2019).

[38] Cárdenas et al (2021); Fu (2020).

[39] CFPB (2018).

[40] Cardenas et al (2021).

[41] Fu (2020).

health outcomes.[42] Stakeholders such as the Center for Financial Inclusion at Accion (CFI) have conducted field research to adapt these models to international contexts, including in collaboration with the UNSGSA in 2020, as part of a Financial Health Working Group. The UNCDF further advanced this international application through an extensive literature review and compilation of evidence on financial health.[43] In parallel, the United Nations Environment Programme Finance Initiative, the Financial Health and Inclusion Working Group 2022-2023 developed the Principles for Responsible Banking (PRB) as guidance for banks to encourage financial health approaches.[44]

25. **Financial health is increasingly being considered within the international agenda of the G20 GPFI, the OECD and the UNSGSA.** The GPFI's 2023 Financial Inclusion Action Plan notes that financial health is an outcome of advancing (quality) financial inclusion and is a cross-cutting theme in the updated G20/OECD High-Level Principles on Financial Consumer Protection.[45] It is also an explicitly ascribed goal of financial literacy policies and programmes in the OECD's recommendation on financial literacy.[46] Most recently, financial health was a core priority of the 2024 Brazilian G20 Presidency, which together with the United States, led a working group to develop a conceptual framework and establish a preliminary roadmap for a measurement framework for financial well-being.[47] As mentioned above, in response to broadened progress on financial access, HM Queen Máxima of the Netherlands has transitioned her role from UN Secretary-General's Special Advocate for Inclusive Finance for Development to be appointed the United Nations Secretary-General's Special Advocate for Financial Health by UN Secretary-General António Guterres in September 2024, emphasising the ongoing prioritisation of ensuring that financial services, products and policies prioritise financial health as a primary goal.[48]

Section 4 – Experiences of national financial authorities

26. **Insights from financial authorities covered in this paper have highlighted a consistent progression, moving from investments in financial inclusion and financial literacy, enabled by supportive regulation, and towards further examination of consumer outcomes through financial health.**[49] Experiences of the selected financial authorities highlighted that the majority of jurisdictions have approached financial health through narrow initiatives, shaped by the varying priorities of national authorities, which are further outlined below. They have not, for example, implemented comprehensive financial health strategies, with the exception of MaPS in the UK. CBJ, on the other hand, may not have an independent financial health strategy but its National Financial Inclusion Strategy (2023–28) explicitly includes improving the financial health score as part of its sub-goals. In these instances, financial health measurement frameworks have been used to inform a broader strategy, although such practices remain

[42] UNSGSA Financial Health Working Group (2021).

[43] UNCDF (2022).

[44] UNEPFI (2024).

[45] G20 GPFI (2023); G20/OECD (2022).

[46] OECD (2020).

[47] G20 GPFI (2024).

[48] UNSGSA (2024).

[49] Existing studies on financial health have not really covered the experiences of and approaches used by national financial authorities, particularly in EMDEs. UNCDF (2022), for example, covered approaches developed by authorities in AEs, international organisations, advocacy groups, private institutions and academics.

uncommon on a global scale.[50] As described below, there are some similarities and differences in authorities' financial health work, including their motivations, definitions and measurement of financial health; their data collection and monitoring approaches; and the policies and programmes they have implemented. The following provides a general background of the work of each of these financial authorities:

- **ASIC** in Australia: Part of ASIC's mandate is to run financial education campaigns on financial products that it regulates. ASIC has been doing these campaigns through Moneysmart, a government programme under ASIC. This was changed in 2011, when ASIC was given responsibility to coordinate the broader financial literacy efforts in Australia. In 2019, a national financial capability strategy was established, and the Treasury was then named the lead government agency in 2021. ASIC is now back to focusing on its core mandate of financial education on products it regulates. The strategy considers financial well-being and financial resilience as separate outcomes of financial capability and other complementary and enabling factors, such as access and quality of financial products and services, consumer protection, legal and regulatory settings and social and economic conditions. The strategy also monitors the level of financial capability only and not of financial well-being and resilience.[51]
- **BCB** in Brazil: In 2012, a directorate was created to focus on "financial citizenship," which covers financial inclusion, financial education and consumer protection. The work started with financial education and the introduction of regulation that promotes access to financial services. The work on quality of financial inclusion came later and started by measuring and monitoring risky indebtedness in 2020. BCB saw the need to complement this measure with more subjective elements of financial health, so it partnered with FEBRABAN (Brazilian Federation of Banks), the main representative body of the banking sector in Brazil, to develop the financial health index. FEBRABAN implements the surveys annually. In addition, the BCB issues the financial citizenship report every three years. During the Brazilian G20 Presidency in 2024, BCB included financial health as the annual priority of the G20 GPFI.
- **FCAC** in Canada: FCAC started the Canadian Financial Capability Survey (CFCS) in 2009 and has been doing the survey every five years since – with plans to field it every three years from 2024 onwards. The survey's objective is to gather comprehensive data on Canadian's financial knowledge, behaviours and confidence in managing their finances. Each iteration has built upon the previous ones and incorporated new topics such as psychological factors, fraud, debt management and financial well-being to reflect the evolving financial landscape and challenges faced by Canadians. FCAC started fielding the monthly financial well-being dashboard in 2020, initially as a way to monitor the financial well-being of Canadians during the Covid-19 pandemic. This complements the CFCS with a focus on changes in people's current financial situation, behaviours and well-being. With both surveys, FCAC reports on data for the population as a whole, as well as for sub-populations of interest. In 2021, FCAC launched Canada's revised National Financial Literacy Strategy 2021–2026, which focuses on building the financial resilience of Canadians as its main goal.[52]

[50] To ensure the accuracy and reliability of financial health scores, strong governance of agents responsible for collecting survey data is essential—this includes training, oversight and mechanisms to verify that respondents are provided with correct and complete information.

[51] Australian Government the Treasury (2022).

[52] FCAC (2021). To support progress measurement, FCAC is developing a new measure of financial resilience that reflects both individual/internal capabilities and broader systemic factors. A national survey will collect data on key indicators like financial skills and access to relevant and suitable financial services.

- **CBJ** in Jordan: The financial health survey has been conducted since 2021. In 2023, financial health was embedded into the 2023-28 National Financial Inclusion Strategy of Jordan.[53] One of the three goals of the strategy is to "improve the quality of financial services and products for consumers and empower them through appropriate measures to enhance financial consumer protection and build financial capability". Within this goal is a financial capability sub-goal to increase the average financial health score of adults from 42% in 2023 to 50% by the end of 2028. General strategic measures to achieve this sub-goal include launching a specialised platform to increase financial literacy for all segments of society; holding awareness campaigns to educate consumers on relevant regulations and access to help channels; and conducting an insurance awareness campaign.
- **CBK** in Kenya: In 2006, the CBK and Financial Sector Deepening (FSD) Kenya established a public-private partnership and started the FinAccess Household Survey. The primary goals were (i) to measure access to and demand for financial services in a nationally representative survey and (ii) to provide a benchmark measure of effective access to financial services that can be monitored over time and be used to evaluate the effect of various government, private and donor-led initiatives to deepen access.[54] The Kenya National Bureau of Statistics (KNBS) joined the 2009 survey as a technical partner. In 2016, 75.3% of the adult population in Kenya was financially included. As a result, there was a shift towards looking at financial health to examine the impact of financial inclusion. The financial health index was developed initially from existing questions in the FinAccess 2016 survey. CBK, KNBS, FSD Kenya and international experts reviewed the index, which resulted in a leaner 2024 index used in the 2024 FinAccess Household Survey.
- **MaPS** in the UK: MaPS is the most recent organisation in a series of UK bodies focused on improving financial capability and well-being. Its origins trace back to a directorate within the former Financial Services Authority (FSA), which launched the UK's first national financial capability strategy in 2006. In 2014, the FSA's financial capability work was spun off to create the Money Advice Service, a dedicated consumer financial education body. The UK's second national strategy followed in 2015, accompanied by five-year action plans aligned to life stages and key financial decisions. A major initiative under this strategy, the What Works Fund, tested a wide range of interventions and helped consolidate much of the UK's knowledge on financial capability and well-being.[55] In 2019, an evaluation reviewed what had and hadn't worked. That same year, Money Advice Service merged with two pensions bodies to form MaPS, bringing guidance on money and pensions together under one roof. In 2020, MaPS launched the UK's third and most recent national strategy for financial well-being.
- **CFPB** in the US: CFPB's mission is to help financial consumers take control of their financial lives by ensuring a safe, transparent marketplace and helping consumers achieve financial capability to navigate the marketplace effectively. The CFPB addresses the first aspect through its supervision, enforcement and rule-making functions. To fulfil the financial capability aspect of its mission, the CFPB recognised that it needs to know what approaches are effective in promoting financial literacy and capability and to define a measure of success. Hence, it conducted a national survey on financial well-being. CFPB's research resulted in a conceptual framework for defining and measuring success in financial literacy initiatives through a definition of financial well-being.[56]

[53] CBJ (2023a).

[54] FSD Kenya (2007).

[55] MaPS (2018).

[56] CFPB (2015).

Motivations

27. **For most of the covered authorities, work on financial health/well-being emerged from the need to measure the impact and further inform financial literacy efforts.** For instance, CFPB uses its financial well-being scale as a measure of the success of its financial education efforts, while FCAC, MaPS and ASIC view financial well-being as the main objective or outcome of their financial literacy and capability work. BCB's financial health index started out with two main goals: (i) to inform the development of the new educational approach as an assessment tool of the banking industry's financial education platform and (ii) to provide an aggregate view of Brazilian's overall financial health to help the development of public policies and financial education initiatives. Similarly, CBJ uses its financial health score to evaluate its financial literacy efforts and to inform the design of literacy and awareness programmes.

28. **Authorities in EMDEs covered in this paper also see their work on financial health as a natural progression from their financial inclusion initiatives, complementing their increasing recognition of the need for strong consumer protection to ensure safe and effective use of financial services.** For instance, BCB emphasises that individuals should be better off after being financially included, advocating for financial health as a guiding principle in promoting access and usage.[57] Initially, BCB focused on regulations that promote access, such as agent and fintech regulations, but later shifted attention to the quality of access, particularly addressing issues like over indebtedness. Similarly, CBJ and CBK strive for financial services that meet customers' needs, and they view the monitoring of financial health as helping in this regard by informing welfare-enhancing public policies and financial products and services.

29. **Authorities recognise that the financial health of the population has a broader impact on the economy.** MaPS states that "a financial healthy nation is good for individuals, communities, business and the economy".[58] CBJ, on the other hand, stresses that by enjoying sound financial health, individuals can change their quality of life, which in turn helps boost social and economic development.[59]

Definitions

30. **As noted above, financial health concepts and initiatives first originated in AEs, and these have since been increasingly adapted to international contexts.** In particular, the CFPB and MaPS definitions cover all the four dimensions of financial health mentioned above. FCAC's financial well-being dashboard also covers all four dimensions of financial well-being, even if items are sometimes worded in terms of negative outcomes. In particular, the fourth dimension about "feeling secure, confident and in control financially" is reflected in indicators such as the "proportion of people reporting high levels of anxiety, stress or worry". ASIC does not directly target and measure financial well-being, but its definition focuses more on the fourth dimension.

31. **Authorities in EMDEs capture mostly the first three dimensions in their financial health definitions.** This is the case for CBK and CBJ.[60] The BCB's index, meanwhile, covers the first, third and fourth dimensions. The second dimension is included in the extended survey but not in the index. The current BCB definition also includes other elements, such as understanding how to make good financial

[57] FEBRABAN (2021).

[58] MaPS (2020).

[59] CBJ (2023b).

[60] While CBJ does not include the fourth dimension in its financial health score, this dimension is captured in the surveys.

decisions and having the discipline and self-control to meet objectives. Table 1 summarises covered authorities' definitions and measurement of financial health or well-being.

Financial health definitions and measurements — Table 1

	Definition	Measurement
Australian Securities and Investments Commission (ASIC)	Financial well-being is the ability of people to achieve financial security and independence, to achieve quality of life and access opportunities available in society.	Does not directly measure financial well-being
Central Bank of Brazil (BCB)	Financial health can be determined as the extent to which an individual evaluates being able to meet their current financial obligations; understands how to make good financial decisions; has the discipline and self-control to meet objectives; feels secure about their financial future; has the freedom to make choices that allow them to enjoy life.	A financial health index is measured using 12 survey questions: • Financial skills: 1. How well does this sentence describe you or your situation? o I know how to make complicated financial decisions. o I can recognise a good investment. o I know how to make financial decisions. • Financial behaviour: 1. How well does this sentence describe you or your situation? o I know how to force myself to meet my financial goals. o I know how to control myself, so I don't spend too much. o I know how to make myself save. • Financial security: 1. How well does this sentence describe you or your situation? o Concerns over expenses and financial liabilities are a source of stress in my home. o Due to the financial liabilities made, the standard of living in my home has been greatly reduced. o I'm tight financially. 2. In the last 12 months, which sentence describes the comparison between the total income and expenses in your home?[1] • Financial freedom: 1. How well does this sentence describe you or your financial situation? o I'm securing my financial future. o The way I handle my money allows me to enjoy life.
Financial Consumer Agency of Canada (FCAC)	FCAC used the following definition: "Financial well-being is the extent to which you can comfortably meet all of your current financial commitments and needs while also having the financial resilience to continue doing so in the future". (The definition was used in FCAC (2019) and came from Kempson et al (2017)).	Financial well-being dashboard includes information on the following: • managing money and debt (ie changes in household debt level; whether households accessed savings to cope with current economic conditions; whether households

		used a budget; household spending relative to their income) • financial vulnerability (ie whether households have trouble or are struggling with their financial commitments; whether households borrow money for daily expenses; reported level of anxiety, stress or worry) • financial knowledge, credit records and fraud • money worries.
Central Bank of Jordan (CBJ)	The state in which individuals are able to meet their financial needs and obligations, strive towards achieving financial goals and are able to deal with negative financial shocks, taking into account their current and future financial resources based on subjective and objective factors.	The financial health score has four components, each with two indicators: • Spending: o spends less than income o pays bills on time. • Saving: o has sufficient liquid savings o has sufficient long-term savings. • Borrowing: o has manageable debt o has prime credit score. • Planning: o has appropriate insurance o plans ahead financially.
Central Bank of Kenya (CBK)	Financial health can be understood as the extent to which a person or family can smoothly manage their current financial obligations and have confidence in their financial future and is typically conceived as being made up of three elements: (i) smoothly managing short-term financial obligations and consumption needs, (ii) being capable of absorbing financial shocks and (iii) staying on track to reach long-term goals, such as purchasing a home or securing retirement income.	Measures for each of the three main elements of the financial health index: • Ability to manage day-to-day needs: o never went without food during the last year o able to meet their regular spending o has a plan/budget for allocating income and expenses. • Ability to cope with shocks: o never went without medicine in the last year o regularly kept money aside for emergencies o can get hold of a lump sum within three days. • Ability to invest in future goals: o is using savings or credit to invest in productive assets o is using/plans to use savings for education or old age o has been regularly putting aside money for the future (pension or investment income to make ends meet in old age).
UK Money and Pensions Service (MaPS)	Financial well-being is about feeling secure and in control. It is knowing that you can pay the bills today, can deal with the unexpected and are on track for a healthy financial future. In short: confident and empowered.	Five financial well-being measures and their respective targets by 2030: • Getting a meaningful financial education: 2 million more children and young people getting a meaningful financial education • Saving regularly: 2 million more "struggling" and "squeezed" working-age people saving regularly

		• Managing credit: 2 million fewer people often using credit for food and bills • Accessing debt advice: 2 million more people accessing debt advice • Making good decisions about future well-being: 5 million more people understanding enough to plan for, and in, later life.
US Consumer Financial Protection Bureau (CFPB)	Individuals' financial well-being corresponds to the extent to which they feel that they: (i) have control over day-to-day and month-to-month finances, (ii) have the capacity to absorb a financial shock; (iii) are on track to meet their financial goals; and (4) have the financial freedom to make the choices that allow them to enjoy life.	The financial well-being scale consists of 10 items: • How well does this statement describe you or your situation? 1. I could handle a major unexpected expense. 2. I am securing my financial future. 3. Because of my money situation, I feel like I will never have the things I want in life. 4. I can enjoy life because of the way I'm managing my money. 5. I am just getting by financially. 6. I am concerned that the money I have or will save won't last. • How often does this statement apply to you? 7. Giving a gift for a wedding, birthday or other occasion would put a strain on my finances for the month. 8. I have money left over at the end of the month. 9. I am behind my finances. 10. My finances control my life.

[1] More details on this question can be found at indicce.febraban.org.br.

Sources: Australian Government the Treasury (2022); FEBRABAN (2021); CBK (2024); CBJ (2023b); CFPB (2017); FCAC webpage; MaPS (2020).

Measurement

32. **Measures of financial health were mostly adapted from or informed by measures used in AEs, particularly the US.** Such measures include the CFPB's financial well-being scale and FHN's financial health measure or toolkit.[61] BCB's financial health index, for example, used these two measures as main references, but it also included CFPB's Financial Skill Scale and Wisconsin University's Financial Capability Scale. The elements of CBJ's financial health score are based on the FHN's measure. CBK's financial health index, while initially developed using existing questions in the 2016 FinAccess Household Survey, benefited from international experts, including from AEs, that resulted in a leaner 2024 index.[62] The development of MaPS's financial well-being measures, on the other hand, started out with a broader survey that identified the building blocks of financial capability and the drivers towards the concept of financial well-being. This was followed by iterative studies that eventually narrowed down to the main elements of financial well-being that are being monitored today.

[61] See CFSI (2016); and the Financial Health FinHealth Score webpages.

[62] Storchi and Broens Nielsen (2025).

33. **Due to its multidimensional nature, as noted above, financial health has objective and subjective aspects.** Objective aspects are those related to financial resources and factual issues in an individual's financial life, such as holding a certain amount of savings or having access to financial resources that can help meet basic needs or cope with emergencies. These can be measured using administrative financial data (eg individual-level data from financial institutions about people's savings, debt and insurance policies) or via self-reported information collected through surveys. Subjective aspects are those related to individual feelings, perceptions and self-judgments, such as feeling secure, feeling in control and having confidence about personal finances. These can be measured only through self-reported information collected through surveys.[63]

34. **Currently, the covered authorities' measures of financial health or well-being are all based on self-reported information through surveys on both objective and subjective aspects.** None of the covered authorities use administrative financial data for their main financial health measures. Nevertheless, Brazil uses administrative financial data to measure risky indebtedness, which is a complementary measure to its financial health index (see below).

35. **Depending on how the survey questions were designed, questions relating to objective aspects can attract either a more objective or a more subjective response.** The survey questions of BCB and CFPB are mainly subjective self-assessments (eg asking respondents whether statements like "I know how to make myself save" or "I could handle a major unexpected expense" apply to them). FCAC and CBJ include questions that can be answered more objectively. For example, FCAC asks questions on whether people's debt has increased and whether they are spending less than their income. CBJ also asks a question on whether people are spending less than their income, as well as questions on whether they are paying bills on time and whether they have insurance.[64] The three main elements of CBK's financial health index are also based on survey questions that can be answered more objectively (eg whether people have a budget for allocating income and expenses, whether people keep money aside for emergencies and for the future).

36. **The surveys result in either a single index or score or multiple measures of financial health or well-being.** Four authorities have a single index or score (BCB, CBJ, CBK and CFPB), while two have multiple measures (FCAC and MaPS). FCAC uses a financial well-being dashboard that includes measures of how people manage their money and debt; people's financial vulnerabilities; their financial knowledge, credit records and fraud exposure; and their money worries. MaPS has five financial well-being measures: getting a meaningful financial education; saving regularly; managing credit; accessing debt advice; and making good decisions about future well-being.[65]

37. **Only two of the covered authorities have explicit financial health targets.** For MaPS, each of its five financial well-being measures has an objective and measurable target by 2030. Meanwhile, CBJ aims to increase the average financial health score for adults from 42% in 2023 to 50% by the end of 2028.

Data collection and monitoring

38. **While data collection and monitoring are all based on surveys, some variations in practice exist.** For example, the frequency and the scale of the of surveys vary. While the number of surveys presented is limited to selected examples, it is important to note that these should be interpreted within the context of a broader literature at both national and international levels, including references such as

[63] G20 GPFI (2024).

[64] CBJ is the only authority that explicitly captures insurance as an indicator of financial health.

[65] MaPS (2020).

the G20/OECD INFE report on adult financial literacy in G20 countries and other relevant works. The following describes the practices of some of the covered financial authorities:[66]

- The **BCB** financial health survey, which is a partnership with its banking association, FEBRABAN, has been conducted annually since 2020 and targets 5,000 respondents each year. It is not a longitudinal study, so the sample changes every year. An external company handles the fieldwork, collecting data through telephone interviews using random dialling. To ensure quality, all interviews are recorded and 20% of each interviewer's sessions is randomly checked. Additionally, the final data undergoes further checks to detect insufficient effort by respondents. Aside from its financial health index, BCB also monitors since 2020 the risky indebtedness indicator, based on its credit report system administrative data, which is considered as a measurement of financial inclusion outcomes and as an indicator related to financial health.

- **FCAC** conducts a Monthly Financial Well-being Monitor (MFWBM) of 1,000 Canadians. The survey started in 2020 as the Covid-19 Financial Well-Being Survey and was later renamed as the Financial Well-Being Monitor in 2023. FCAC recently introduced a small overlap in the respondents across surveys to enable longitudinal analysis. It also collects data through the CFCS. During the development of the MFWBM, in addition to developing new questions to measure consumer well-being during the pandemic, FCAC chose to include questions from the CFCS – questions that were short-term indicators of consumer well-being – to conduct comparisons of well-being data collected pre-pandemic with well-being data collected during the pandemic.

- **CBJ** has been conducting its financial health survey annually since 2021. The survey is published on the CBJ's website and pages on social media websites. It is also disseminated through external stakeholders, including banks and non-bank financial institutions. CBJ ensures that there is proportionate representation across all governorates of the Kingdom, age groups, genders, education levels and income levels. The survey had 6,278 respondents in 2023. Participation is entirely voluntary, with no incentives provided to respondents.

- The **FinAccess Household Survey** is conducted every two to three years through face-to-face interviews across all counties in Kenya. The survey is a collaboration between CBK, KNBS and FSD Kenya. The 2024 survey selected approximately 28,275 households (using random sampling), while ensuring a representative sample that includes diverse demographics.[67] Interviews are conducted by research assistants using computer-assisted personal interviews. Participation is entirely voluntary, with no incentives provided to respondents.

- **MaPS** conducts an annual adult survey that targets 12,000 respondents. The survey uses mixed methods (ie face-to-face interviews and online panel interviews) and is cross-sectional (ie capturing a snapshot of the UK each time without targeting the same respondents). Online panel participants receive small incentives from companies conducting the interviews, while face-to-face respondents are offered a £5 shopping voucher. MaPS also conducts a survey of children and young people aged 7 to 17 and their parents. This survey is conducted every three to four years and aims to track indicators of "meaningful financial education". This survey also uses mixed methods and is cross-sectional.

39. **Financial authorities encounter a variety of challenges in their data collection and monitoring efforts.** The following outlines these challenges as described by some of the covered authorities:

[66] As mentioned, CFPB information is based only on published reports and ASIC does not directly measure and monitor financial well-being. CFPB's last survey report on financial well-being was published in 2017.

[67] CBK (2024).

- For **BCB**, one of the challenges in collecting data and monitoring financial health is the rapid evolution of international literature and debate on the subject. Staying up-to-date with evolving concepts and measurement approaches is essential. The financial health index of Brazil is undergoing a careful scheduled revision process to integrate past learnings and to test these developments empirically. Additionally, there is interest to incorporate objective measures, such as transactional data, to complement survey-based metrics. The financial health index and its dimensions have recently been studied in conjunction with transactional data from the BCB's credit registry system.[68] This study showed correlation between the index scores and data on delinquency and other credit-related behaviours, as well as areas for improvement.
- For **FCAC**, a key challenge in collecting financial well-being data is balancing nationally representative sampling with the inclusion of underserved populations. This requires hybrid methods, such as combining online and telephone surveys to reach those with limited internet access. Over time, the monthly cross-sectional survey of 1,000 respondents faced sample depletion, prompting the addition of a longitudinal component to track changes over time. While the survey's flexibility allows varied question frequency, it means that different waves include different questions, which can pose challenges for some analyses. The evolving and complex nature of financial well-being – especially for marginalised groups – demands ongoing refinement of measurement and analysis. FCAC has observed that distinguishing financial well-being from poverty is also difficult, as financial stress affects all income levels, yet low income cannot be addressed by financial literacy alone.
- **CBJ** encountered several challenges related to representativeness of the survey sample and data quality. For example, female respondents are significantly underrepresented in the surveys. CBJ is encouraging female participation by highlighting its importance in formulating relevant financial consumer protection policies and in designing appropriate financial awareness and literacy campaigns. In general, dissemination channels were also expanded through external stakeholders to achieve broader and more diverse participation. Moreover, the issue of data quality was addressed by omitting incomplete or inconsistent responses.
- **CBK** faced several challenges during data collection linked to security threats, missing target respondents and survey refusals. Security threats in some areas led to the exclusion of their population. In other areas, hiring security personnel and collaborating with community leaders were necessary. Missing structures and households due to demolitions, nomadic migrations in search for pasture and water especially in dry seasons, and changes in dwelling places posed additional difficulties. These are partially mitigated by cluster guides, community elders and sampling teams. Refusals, missing respondents despite callbacks, and unfit respondents due to illness also had an impact on data collection.
- For **MaPS**, big surveys may not be useful in the early stages of implementing a financial well-being strategy since the changes may be incremental. Instead, a simple evaluation work may be needed: for example, evaluating outcomes of specific interventions. Lack of data may also be an issue (eg on insurance), and making surveys manageable for respondents is always a challenge. Some target respondents may also just ignore online interview requests. Hence, mixed methods are necessary for face-to-face interviews to pick up these respondents.

[68] As another example, the Office of the Comptroller of the Currency (OCC) has piloted an approach known as Financial Health Vital Signs, aimed at encouraging financial service providers to leverage transactional data to evaluate and monitor consumer financial health. This initiative seeks to shift the industry's focus from traditional product-based metrics to customer-centred outcomes, using indicators such as positive cash flow, liquidity buffers and on-time payments to better align services with consumer needs (see Hsu (2024)).

Programme and policy interventions

40. **The resulting programme interventions are related to the main motivation of informing financial literacy work.** All covered authorities' financial health work contributed to the improvement of their jurisdictions' educational resources and programmes. For example, Brazil enacted a legislation that requires financial institutions to provide financial education to their customers. CBJ's financial literacy and awareness efforts generally focus on covering all financial literacy topics included in its Financial Capabilities Matrix, including promoting savings in addition to specific topics that are considered of major concern by consumers, such as digital payments and financial fraud. Kenya integrated financial education in their school curriculum. Australia implemented targeted interventions, such as a campaign aimed at millennials to promote superannuation and a campaign aimed at Gen Z to help them do basic things with their money. Canada also piloted targeted interventions aimed at improving the financial confidence of girls and young women.[69]

41. **Some authorities published regulations or guidelines and statements addressing specific issues.** Examples include the following:

- **ASIC** issued a report on lenders' compliance with the mortgage hardship requirements of the government.[70] The hardship requirements entail lenders working constructively with their customers that have issued a "hardship notice". While ASIC did not issue nor enforce this policy, its report provided information to the government on compliance shortcomings.
- **BCB** issued a regulation requiring the total invoice amount to be prominently displayed on the first page of credit card bills.[71] Before this, the main number presented on the invoice could be the minimum payment for the month, which could have led to assumptions that this was the total amount due. The regulation benefited from an experiment conducted by BCB that showed that layouts of credit card bills affect customers' understanding of the information presented and the consequences of the payment option they would choose.[72]
- **FCAC** published a "Guideline on Existing Consumer Mortgage Loans in Exceptional Circumstances"[73] to support consumers at risk, particularly those with an existing residential mortgage loan who are experiencing severe financial stress. The guideline expects financial institutions to provide support to such consumers and implement policies and procedures that should cover, among other things, the criteria for offering mortgage relief measures and assessment to ensure that appropriate relief measures are made available.
- **CBK** established a framework for the licensing, governance and oversight of digital credit providers in 2022 for market conduct and consumer protection. The government also leveraged the 2019 FinAccess Household Survey findings to make policy pronouncement against the prevalent use of digital lending to promote betting/gambling.[74] This was a consequence of the unregulated usage of digital credit that facilitated increased betting/gambling, especially among youth, leading to overindebtedness.

[69] FCAC (2024).

[70] ASIC (2024).

[71] BCB (2023).

[72] The experiment was conducted on an online platform by BCB in partnership with the consulting and research firm Plano CDE and financial support from the Fletcher School of Law and Diplomacy at Tufts University.

[73] FCAC (2023).

[74] CBK (2022).

42. **Authorities or their governments have also put in place non-regulatory interventions.** Examples include the following:

- **FCAC** collaborated with the Social Policy Institute at Washington University and Intuit Canada Inc to administer a randomised, controlled trial that tests the impact of embedding a saving intervention directly into the online tax filing process. It involves providing an opportunity for the filer to confirm their intention to save their refund while they were preparing their taxes, promotional messaging around the benefits of savings and an in-product nudge for filers to change their direct deposit location to a savings account. Results show an increase of $1.3 million in self-reported saving and a 17% increase in the savings rate, particularly among those with lower incomes.[75]
- **The government of Kenya** leveraged the findings of FinAccess surveys to set up a financial inclusion (aka "Hustler") fund to support credit and savings, particularly for the lowest segments of the population.[76] The fund allows people to borrow and save. This enables them to build a credit score until they are eventually eligible to access financial products and services through conventional providers. The fund initially had an embedded micro-insurance component, but this was not rolled out with the rest of the products of the fund.

43. **Financial health measures can also be potentially leveraged for other uses.** The BCB has thought of other potential uses of financial health measures. For example, regulators could encourage banks to use financial health information for risk assessments as well as in marketing their products and services (eg in ensuring that financial products and services are targeted to people that need them).[77] This way, the concept of financial health would be embedded in financial service providers' processes. Financial health measures can also be used to compare whether financial products and services offered by different financial institutions have resulted in improvements in their customers' financial health. In general, financial health information can be instrumental in shaping financial sector policies; but achieving this is a challenge. For example, financial authorities that do not have a policymaking mandate (eg for prudential or conduct regulation) would need the cooperation of other relevant authorities, which may have other priorities.

44. **While the interventions that resulted from financial health frameworks focus on consumer protection and awareness, there is a relevant link with prudential actions.** For example, BCB believes that capital requirements over riskier credit operations can reduce banks' risk appetite and risk-taking, which, in turn, mitigates the overindebtedness of people. Security control requirements to prevent issues like digital fraud is another example of prudential regulations that can benefit financial health. Regulators may need to balance these measures with the potential unintended consequences, which may be detrimental to financial health, such as unduly restricting access to credit and other financial services to the already unserved or underserved segments of the population.

45. **Authorities see a significant role of the wider ecosystem in achieving the financial health objectives.** Financial health requires a holistic approach where various stakeholders across the ecosystem, including those outside the financial sector, work together towards common goals. MaPS (2020), for example, states that the strategy for financial well-being must support the individual, but this can take place only within a wider system. Indeed, aside from individuals and the authorities leading the financial health work, other players in the ecosystem are also important contributors to this work. These include government agencies that shape policies, financial service providers, providers of financial education programmes (such as non-government organisations and advocacy groups) and academics, among

[75] FCAC (2024).

[76] See the Hustler Fund website.

[77] The OCC is already doing this with the financial health vital signs. See OCC (2024).

others. Emphasising the multidimensional nature of financial health, it becomes clear that no single sector can address all its facets alone. Financial health encompasses economic stability, access to resources, education, behavioural factors and social support, requiring coordinated efforts across sectors. Therefore, cross-sector collaboration is not just beneficial – it is essential to create sustainable and inclusive financial well-being for all.

Section 5 – Conclusion

46. **This section presents the key conclusions derived from the preceding stocktake of national financial authorities' approaches to financial health.** These findings are intended to inform the efforts of country authorities and guide future research initiatives in this domain.

47. **Robust regulatory frameworks, particularly those focused on consumer protection, are essential to achieving financial health.** They safeguard the stability of financial institutions and systems while ensuring fair treatment, transparency, data protection and effective complaint handling for consumers. In the context of digital financial services, this includes regulations such as mandatory disclosure of total credit costs on digital platforms, requirements for clear and accessible terms and conditions, and frameworks for licensing and supervising digital credit providers. For example, some jurisdictions have introduced rules mandating that digital lenders display the full repayment amount upfront to prevent consumer confusion, while others have implemented oversight mechanisms to curb the misuse of digital credit for gambling. By influencing product design and delivery, financial regulations play a critical role in improving consumer outcomes.

48. **Expanding financial literacy is increasingly seen as key to improving financial health.** Evidence from various jurisdictions like Australia, Canada, Jordan and the US shows that targeted financial literacy programmes boost confidence and savings and reduce overindebtedness. Yet, financial literacy remains uneven, with low levels linked to poor outcomes. This underscores the need for inclusive strategies and further research, such as longitudinal studies, to strengthen the connection between financial capability and financial health.

49. **To effectively support financial health, financial literacy efforts must be integrated with consumer protection, as education programmes can enhance the quality of consumers' financial choices and outcomes.** As financial innovation introduces new risks, expecting individuals to navigate them alone is unrealistic. Understanding diverse financial needs – like budgeting, emergency savings or future planning – enables more targeted and effective policy interventions that benefit financial consumers.

50. **Financial health initiatives vary across authorities due to differences in jurisdictional and institutional and histories.** Definitions of financial health or well-being vary slightly but may align more closely with ongoing G20 GPFI work. As these efforts are still emerging, measurement approaches differ, blending subjective and objective elements. There is debate over this distinction, with some viewing all demand-side surveys as inherently subjective. Indicators may differ even when measuring similar concepts, and survey practices vary in frequency and scale. Leveraging administrative financial data could improve the accuracy of objective measures by reflecting actual financial behaviours.

51. **Some authorities have expanded financial health indicators to reflect broader aspects of consumer well-being.** The CBJ, for example, tracks insurance uptake to promote financial protection, while BCB monitors individuals' debt indicators that are considered related to financial health. These indicators go beyond education and consumer protection, enabling data to support risk assessments, reveal consumer behaviours and highlight financial well-being factors that influence financial sector stability. Incorporating insights from financial health data in risks assessments can equip financial institutions with a customer-centred view of risks and can help them design tailored financial products

and services and guide product marketing. Financial health indicators can also be used to compare financial services across institutions.

52. **While authorities' programme and policy interventions are focused on consumer education and protection, prudential policies also have a relevant link to financial health.** Informed by their financial health measurement and monitoring work, authorities have implemented targeted consumer education and protection interventions. Nevertheless, authorities' prudential actions can also influence financial health. For example, regulations on financial institutions' risk-taking will have a direct impact on the risks that are passed on to consumers. Moreover, regulations on security and operational controls will also directly benefit consumers by shielding them from risks arising from technological innovations. Indeed, financial health provides a people-centric view of risks. For example, while financial authorities typically assess the concentration of credit risk in terms of its impact on individual financial institutions or the broader financial system, the concept of financial health serves as a critical reminder that such risks ultimately affect individuals. This underscores the importance of prudential regulators incorporating financial health considerations into their decision-making processes.

53. **Financial health is multidimensional and a shared responsibility that spans public authorities, private sector actors, civil society and consumers themselves.** It requires collaboration among financial institutions, regulators, non-financial authorities and civil society. It is not solely a financial sector issue nor just a public sector concern. Achieving meaningful progress demands coordinated efforts across these groups, with each contributing according to their capacities and roles. Financial service providers play a key role by offering suitable, welfare-enhancing products tailored to consumer needs. Civil society organisations and advocacy groups are often better positioned to reach target populations, especially when financial authorities lack a policymaking mandate or operational resources. In such cases, collaboration with non-financial authorities and policy bodies becomes essential.

54. **Financial sector regulators are uniquely positioned to make impactful contributions within their existing mandates.** While they may not be primary delivery agents, they possess tools, data and regulatory frameworks that can be leveraged to promote financial health. These include consumer protection or market conduct regulation, prudential regulation and financial inclusion and literacy strategies. By using these tools, authorities can create enabling environments aligned with their mandates and contribute meaningfully without assuming direct responsibility for outcomes. This report illustrates how some financial sector authorities have approached this challenge, and the authors hope these insights will inform and inspire other policymakers to integrate financial health into their strategies and operations.

55. **As international efforts to adopt and measure financial health advance, there is growing opportunity to assess how these frameworks and metrics are being applied in both advanced and emerging markets**. Countries are increasingly linking financial health indicators to financial sector policies. Standardised yet locally adaptable metrics can inform prudential and consumer protection policies, financial education strategies and financial inclusion initiatives. For financial authorities and policymakers, this presents an opportunity to better identify financial vulnerabilities, increase the quality of financial products and services that are better tailored to consumer needs, target interventions and monitor progress.

56. **Going forward, authorities could leverage their existing mandates and enhance financial health monitoring by incorporating additional resilience indicators and refining survey designs to elicit more objective responses.** Additionally, financial institutions could be encouraged to leverage administrative data for improved risk management and product development. At the global level, advancing common definitions, measurement approaches and a growing catalogue of policy actions can foster the exchange of best practices, drive innovation and promote financial health worldwide. Given the broad scope of financial health, challenges such as measurement costs, data comparability and methodological variation are inherent and should be anticipated. Addressing these complexities through

coordinated and adaptive approaches will be key to building a robust and inclusive, resilient financial system.

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