CFP BOARD

Consumer Financial Wellness:

A Definition and Framework

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Research Team:

Emily Koochel, Ph.D., AFC®, CFT-I™
eMoney

Sonya Lutter, Ph.D., CFP®, LMFT
Texas Tech University

Stuart Heckman, Ph.D., CFP®
Texas Tech University

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PROJECT OVERVIEW

In 2020, leaders from across the financial advice ecosystem participated in conversations about the future of the financial planning profession, which culminated with a collective vision of the "Desired Future State of the Financial Planning Profession." The vision described key elements the group considered essential to the profession's future viability, growth, and relevance. Some of these elements were a body of knowledge actively nourished by academic research and validated by practice, as well as empirical evidence that correlates holistic financial planning with improved client outcomes.

The vision describes a profession eagerly pursued and embraced by students, firms and clients, not only because of its efficacy but also because of the profession's continuous enhancement of competency and ethical standards that merit public trust.

In pursuit of this vision, CFP Board envisioned the future financial planner. CFP Board recognizes that financial planners who hold CFP® certification are essential to the financial well-being of the public. As more evidence surfaces that a financial planning career is both economically and emotionally rewarding, the profession is likely to attract high school and college students—the next generation of financial planners.

The CFP Board is leading the first academic study to track and report on the efficacy of holistic financial planning. This initiative requires longitudinal data that tracks and measures changes in financial conditions and life goals of a pre-determined cohort. The study will result in periodic reports on significant changes as well as publications in prestigious academic journals.

MEASURABLE OUTCOMES

The primary goal of financial planning, as garnered from the CFP Board's *Code and Standards* definition of financial planning is to "…maximize a client's potential for meeting life goals." While goals have an element of objectivity, they are personally driven by unique preferences of the individuals setting the goals. With the addition of the psychology of financial planning competency domain, there is a need to more fully understand the emotions and thoughts that drive contentment with one's personal financial situation. When describing the psychological benefits of financial planning, Irving (2012) specifically used the phrase "enhanced well-being" to describe a desirable outcome of the financial planning process and Marsden, Zick, and Mayer (2011) regarded wellness as potentially the best measure of the effectiveness of financial planners. Financial planners have largely come to agree that clients desire more than achievement of objective indicators of wealth. The first step in addressing the non-financial outcomes of financial planning is defining wellness and understanding how it fits within the financial planning process.

DEFINITION PROCESS

Developing a definition can take a variety of forms. When there are legal implications, it is often good practice to use previous definitions or consult legal statutes to ensure compliance (Cullinan & Wery, 2011). In cases where the stakes are lower, creating a definition can be more flexible.

Often there may be definitions for words that exist that have similar, yet still disparate meanings. There are also some words that are different but have similar meanings. For example, financial well-being, financial wellness, and financial satisfaction are all similar in definition, but have subtle differences. In some cases, singular words may have different definitions. Financial well-being, in particular, has varying definitions and might mean different things depending upon the organization or individual describing it, the geolocation where it is being used, the context it is being used, and a variety of other reasons.

Since financial planning has many components and is a complex decision-making process, the definition itself should have the characteristics of brevity, but still allow for flexibility in measure creation. The process for coming up with a definition should follow a method that is conducive to a succinct description, but with the ability to encompass the financial planning process. While there is not required process for determining a definition, several methods were considered that may be used to come to a common definition.

Convergence

Convergence applies common language among existing defintion to arrive at a new definition incorporating all of them. This process can result in a comprehensive, yet very specific definition that may not lend itself as easy to measurement of complex processes.

Deletion

Researchers may examine definitions and find many of them not to be closely relevant to what phenomenon they are investigating. In this case, it may make sense to start by reducing the number of irrelevant defintions, and then deciding on the one that makes the most sense for the study. This process may result in being able to use an existing defintion, but at the expense of flexibility in measurement and may require pruning of constructs.

Accretion

Accretion is a process where the components or constructs of the phenomenon are defined and pieces of existing defintions are added until it includes all of the constructs being investigated. Creating a definition in this way allows researchers to be sure they have included components they have thought of. The drawback is it does not allow for the ability to add more constructs that are not included.

Consensus

Consensus is a process where other definitions are considered to provide context, but may be used or discarded depending upon their usefulness. The researchers come to consensus on the structure of the definition (e.g., brevity), what constructs need to be included *a priori* and agree on the final wording of the definition. In determing a definition of financial wellness for purposes of measuring outcomes related to financial planning, consensus is used as it provides the flexibility necessary to measure something as complex as financial planning. The CFP Board definition for financial planning is considered when discussing how financial wellness might be defined. In addition, existing definitions of financial wellness, financial well-being, general wellness and well-being are used in the process of determining a definition for financial wellness suited for financial planning outcomes.

WELLNESS AND WELL-BEING

Wellness is a state of good health (Dictionary, n.d.). The Global Wellness Institute (n.d.) expands wellness to the *active pursuit* of a healthy lifestyle. While "health" and "wellness" are often used interchangeably, 'health' typically refers to physical health and 'wellness' typically refers to mental health with wellness typically understood to represent a broader term encompassing both physical and mental health (Berkeley Wellbeing Institute, 2023).

Wellness is generally thought of as the overarching umbrella with layers of well-being contributing to wellness or holistic health. Wellness might be measured by objective indicators such as engagement in activities to prompt health versus well-being which might be measured by subjective indicators of feeling content and fulfilled about areas of one's life (Global Wellness Institute, n.d). Joo (2008) formally presented financial and economic well-being as a part of a multi-dimensional conceptual framework where financial wellness included (a) objective statues (e.g., income and financial ratios), (b) financial satisfaction, (c), financial behaviors (e.g., credit and debt management), and (d) subjective perception (e.g., financial attitudes and financial knowledge).

The Consumer Financial Protection Bureau (CFPB) commissioned extensive qualitative research to develop a conceptual framework of the determinants of financial well-being in which they defined financial well-being as, "a condition 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" (CFPB, 2017). Well-being is determined by the extent to which people feel that they: (a) have control over day-to-day, month-to-month finances, (b) have the capacity to absorb a financial shock, (c) are on track to meet his or her financial goals, and (d) have the financial freedom to make the choices that allow one to enjoy life. As a result of this work, positive financial behaviors (e.g., budgeting, saving, investing, working toward financial goals) were identified as the most powerful determinants of financial well-being. Wellness, whether overall or financial, cannot be fully captured without reflecting one's experience of life, including cognitive judgements and affective reactions (Diener, 1984).

Governments and researchers have attempted to assess the health and well-being of populations for centuries, often relying on objective indicators of economic wellbeing as a measure of societal progress, stability, and financial health (e.g., Federal Reserve, 2023). As understanding of well-being has matured, assessment of societal progress has extended to other areas such as psychological, social, and emotional well-being (e.g., Centers for Disease Control and Prevention, 2018; Gallup, 2010)—suggesting that the desirable state for individuals, families, organizations, and society reaches beyond the financial domain (Dare, van Dijk, van Dijk, E., van Dillen, Gallucci, & Simonse, 2023).

At the individual and family level, greater financial well-being has been related to physical and mental health, relationship quality, happiness, and overall life satisfaction (Brüggen, Hogreve, Holmlund, Kabadayi, & Lofgren, 2017; Netemeyer, Warmath, Fernandes, & Lynch, 2018). Conversely, stress, insufficient financial resources, and lacking control over one's financial situation, has reported lower levels of financial well-being and life satisfaction, thus, hampering personal and societal growth (Elliott & Lewis, 2015; Ruberton, Gladstone, & Lyubomirsky, 2016) supporting the notion that being well is multidisciplinary.

Well-being is frequently used synonymously with satisfaction or happiness. There is a known correlation between life satisfaction and financial satisfaction (Kim & Chatterjee, 2019; Korankye & Kalenkoski, 2021) with financial satisfaction being described as more of a psychological attribute than an objective economic indicator (Ng & Diener, 2014). Like other domain satisfactions, financial satisfaction, and satisfaction with one's financial status, has been identified as a major determinant and contributor to life satisfaction (Fan & Babiarz, 2019).

A DEFINITION OF FINANCIAL WELLNESS

Research on financial well-being can be classified into three categories: (a) both objective and subjective elements, treating it as a composite concept, (b) objective elements only, or (c) subjective elements only (Brüggen et al., 2017). Objective elements of financial well-being concern an individuals' actual financial condition, while subjective elements include how individuals' asses their own financial condition (e.g., their satisfaction with their standard of living or financial status; Dare et al., 2023).

Objective indicators generally include income, expenditures, debt/debt ratios, assets, and net worth (Iramani & Lutfi, 2021). A family is viewed as financially well-off by comparing it with the national average or median data provided by the government, such as the U.S. Census Bureau.

Subjective financial wellbeing measures include financial satisfaction or satisfaction with certain financial aspects, such as income and savings satisfaction (Joo, 2008). Based on data from the Gallup World Poll, financial satisfaction is the strongest predictor of life evaluation (Ng & Diener, 2014).

Cumulatively, financial wellness is the combination of being 'healthy' or functioning well *and* feeling good or experiencing positive emotions (e.g., happiness, contentment), as well as having a sense of control or being free from worry (e.g., thinking they are ok financially). We propose the following definition of financial wellness:

Financial wellness is defined as behaving, thinking, and feeling content and fulfilled with one's financial situation.

THEORETICAL SUPPORT FOR DEFINITION

Wellness is regarded as a comprehensive and multidimensional concept that cannot be assessed through a single element. Cognitive-behavioral therapy (CBT) is one of the most widely used approaches for counseling and therapy (Cleveland Clinic, 2022). The basics of the approach suggest that thoughts, feelings, and behaviors influence one another in a circular nature. To change how a person feels about a situation, the process is to either modify their thoughts or behaviors. As an example, if a couple has lost intimacy with one another (feelings), a strategy of CBT is to encourage them to journal their memories of what first attracted them to one another for five minutes each day (altering the thoughts) and hold hands for five minutes per day (altering the behaviors). By placing specific parameters around the exercises, clients are not overwhelmed and maintain authority for the bulk of their time.

Behavior modification, within the context of CBT, is driven by a thorough baseline assessment of the frequency and severity of the issue. An analysis of the reinforcers and distractors of the behavior is noted with the goal of reinforcing "good" thoughts and behaviors and distracting or ignoring the "bad" thoughts and behaviors. A large component of practicing cognitive-behavioral therapy is for clients to provide clear and detailed descriptions of their thoughts, feelings, and behaviors (Nichols & Schwartz, 2004).

A CONSUMER FINANCIAL WELLNESS FRAMEWORK

We modified the CBT model to reflect the relationships between resource management, psychological and social influences, and financial well-being (see Figure 1): financial wellness is behaving (i.e., resource management), thinking (i.e., psychological/social condition), and feeling content and fulfilled with one's financial situation (i.e., financial well-being). Like cognitive-behavioral therapy, the way people behave, think, and feel is circular. If thoughts can be modified, feelings will naturally modify as a result. If feelings can be modified, behaviors/actions start to change. Much of financial planning is focused on changing behaviors to create changes in feelings. By focusing on behaviors and thoughts, it is more likely possible to change how a person feels about their financial situation.

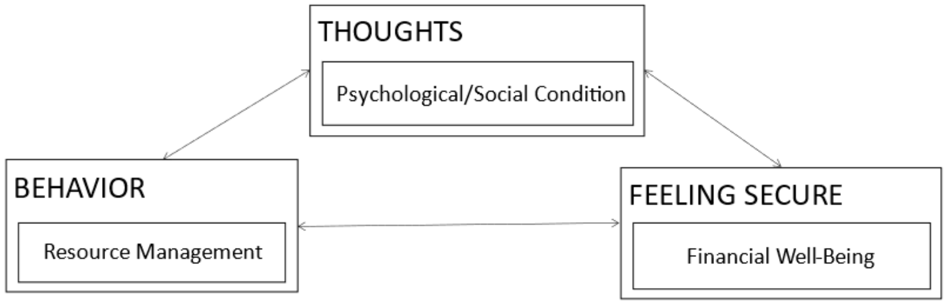

Figure 1. Financial Wellness Conceptual Framework

Resource management is defined as planning, organizing, and allocating resources to maximize financial wellness.

Personal financial management reflects an individual's capacity to meet the demands and obligations often associated with financial well-being (Xiao & O'Neill, 2018). Unlike the other areas within the conceptual framework, resources are typically managed at the household level versus the individual level. Even if household members manage separate financial accounts, from a measurement standpoint, it would be difficult to separate the costs of operating a home including accounting for shared structure, utilities, food, unpaid labor, etc.

Psychological and social condition refers to the study of the mind and relationships as they pertain to resource management and financial well-being.

The psychological and social condition is based on perceptions. Well-being is a positive outcome that is meaningful for people because it tells us that people perceive that their lives are going well (Centers for Disease Control and Prevention, 2018). Beyond objective measures and the pursuit of satisfaction and happiness, how people experience and perceive their financial lives is critical to assess and understand. For example, an individual may be objectively "well," (e.g., they have a sound financial plan in place), yet they are still experiencing financial anxiety, therefore hindering their overall financial wellness. Individuals with identical objective financial well-being may still report very different levels of subjective financial well-being (e.g., Dare et al., 2023) underscoring the importance of understanding individual factors that can influence financial well-being. Perceived financial well-being is a key predictor of overall well-being (Netemeyer et al., 2018).

Financial well-being is defined as a state of feeling satisfied in one's financial life.

Financial well-being captures past, current, and future states, which together inform people's present state of feeling. Well-being measures can be psychometrically or utility based. Psychometrically based measures are grounded on the relationship between, and strength among, multiple items that are intended to measure one or more domains of well-being. Utility-based measures are built on an individual or group's preference for a particular state and are typically anchored between 0 (death) to 1 (optimum health).

PILOT DATA TESTING MEASURES

To test the robustness of the measures proposed for the Consumer Financial Wellness Framework (e.g., behavior/resource management, thoughts/psycho-social condition, and feeling secure/financial well-being), pilot data were collected from a paid SurveyMonkey sample of 413 respondents. To qualify for the survey, respondents had to be living in the United States, be between the ages of 18 and 99, and report a household income of $75,000 or more. The codebook for Pilot 1 is provided in Appendix A.

Advice

Respondents were asked to indicate from whom they have received financial advice. As is typical in consumer studies, there may be general confusion on what constitutes professional financial advice. Nearly two-thirds (72%) of the sample reported use of some form of professional financial advice. Since respondents could select more than one type of source, results do not total 100%. Categories were broken down by use of CFP® professional only (5%), CFP® professional plus another professional (10%), other professional (57%), and no professional advice is used (28%). See Figures 2 and 3 for a breakdown of sources of financial advice used. Future data will attempt to collect more specific information about designations, licenses, firm type to ideally categorize type of provider more precisely.

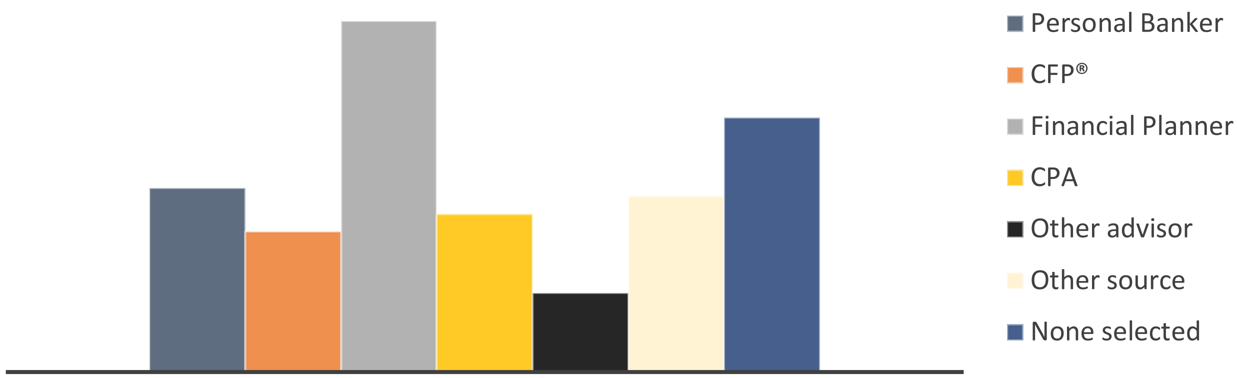

Figure 2. All Sources of Financial Advice Used

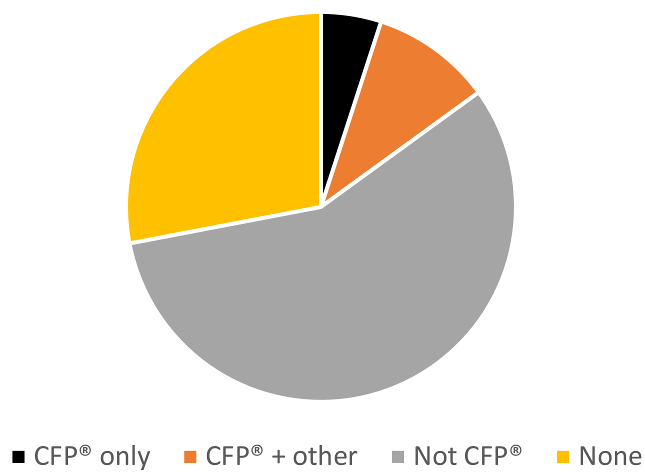

Figure 3. Grouped Sources of Financial Advice Used

Resource Management

Elements of the financial planning process were assessed to determine how well respondents were managing their financial assets and resources, which included insurance protection, asset diversification, tax efficiency, retirement and estate preparation, financial emergency preparedness, and a general self-assessment. As we assessed robustness of measures, it seemed that respondents generally understood the questions as indicated by low responses of "I don't know." Rates of not knowing how to respond to a question were generally consistent across groups of those who use professional advice versus those who do not. Exceptions included not knowing about disability insurance or access to emergency funds for those not using professional advice and not knowing about life insurance ownership among those using a CFP® professional and no other professional.

Protection of personal property (i.e., car, house, etc.), working ability (i.e., disability insurance), and dependents (i.e., life insurance) was assessed by the question, “how well are your following assets protected with insurance” with options of (a) I prefer self-insurance, (b) not at all, (c) partial insurance coverage, (d) full insurance coverage, (e) exceeding, (f) I don’t know, or (g) not applicable.

Diversity of asset holdings was captured by asking respondents which of the following best describes where respondents money is held with the option to mark multiple responses: (a) cash, (b) bank accounts, (c) brokerage accounts, (d) single stocks/investments, (e) mutual funds/ETFs, (f) real estate that respondent does not live in, (g) venture capital, (h) other, and a created variable of (i) cash only if only option a was selected. This item was not retained for future analysis because of the lack of explanatory power in potential outcomes.

Tax efficiency was self-assessed with how well respondents felt they were managing their taxes efficiently on a scale of 1-7 where 1 = strongly disagree and 7 = strongly agree with an option of “I don’t know.” Retirement and estate preparation were determined by two sets of questions. First, respondents could select one of the following categories regarding retirement preparation: (a) I’m not sure if I have a retirement account, (b) I don’t have a retirement account, (c) I have less than my annual salary saved, (d) I have about my annual salary saved, (e) I have about 2-3 times my annual salary saved, (f) I have more than 3 times my annual salary saved, or (g) I don't know the amount saved I have saved. Secondly, respondents could select multiple categories of end-of-life plans in place: (a) I have discussed my estate planning with a professional, (b) I have a will, (c) I have a durable power of attorney, (d) I have a living will, and/or (e) I have beneficiaries listed on all of my assets.

Three options for emergency preparedness were offered from yes, no, and I don’t know in response to, “I have emergency or rainy-day funds to cover expenses for 3 months in case of sickness, job loss, economic downturn, or other emergencies.” Finally, a self-assessment of how well respondents felt they were managing their resources on a regular basis included two items. First, which of these statements best describes how much money you have left over at the end of a typical month: (a) not enough money to make ends meet, (b) just enough money to make ends meet, (c) some money left over, (d) a lot of money left over, or (e) I don’t know. Secondly, which one of the following best describes how well you are managing financially these days: (a) finding it difficult to get by, (b) just getting by, (c) doing okay, or (d) living comfortably.

Psychological/Social Condition

The psycho-social dimension captures how people think about their financial situation. Trust in financial advisors was omitted from the pilot data but will be included in future analyses. The use of core values in making financial decisions had poor reliability in the pilot data, so a revised set of questions will be included in future pilot data.

Understanding and control of respondents' financial situation was first captured by "In the last month, how often have you felt that you were unable to control the important things in your life?" with responses ranging from never to very often; and then by the level of financial decision making more precisely. Household financial decision making showed good robustness with preliminary results on distribution by gender is shown in Figure 4. Household financial decision-making tended to be dominated by men with women being more likely to state that household financial decision making is shared.

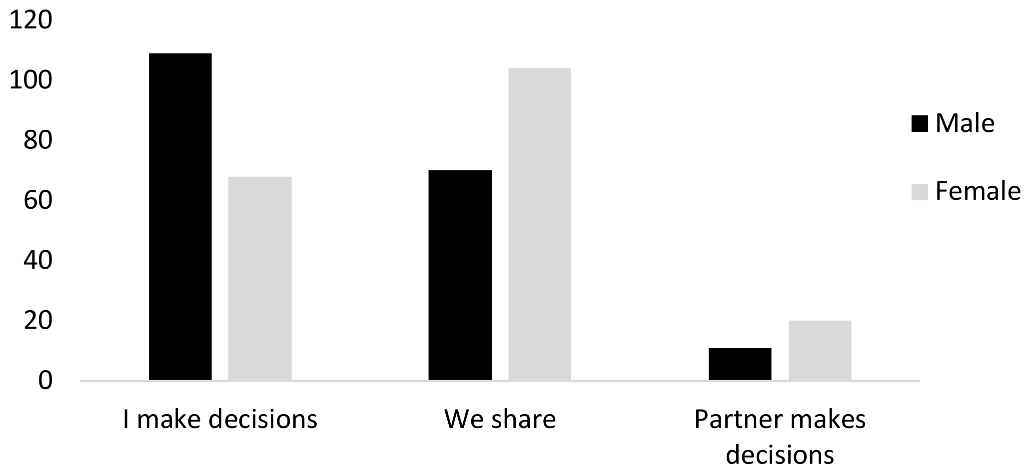

Figure 4. Household Financial Decision Making by Gender

Financial anxiety was measured with a unique scale of three items based upon work of Archuleta, Dale, and Spann's (2013) Financial Anxiety Scale and the Generalized Anxiety Disorder 2-item scale (Kroenke, Spitzer, Williams, Monahan, & Löwe, 2007). The items included: (a) my finances control my life; (b) thinking about my financial situation can make me feel nervous, anxious, or on edge; and (c) I have difficulty controlling worrying about my financial situation. Financial anxiety was retained as the dominant measure over a single item feeling of control variable. One item of the Archuleta et al.'s (2013) scale was dropped, and one item of the GAD-2 was dropped to create the scale used in this study with good reliability (alpha = .85).

To measure prior exposure that might influence thoughts about one's financial situation, respondents were asked two questions: Growing up, the adults in my life (e.g., parents, caregivers): (a) discussed financial matters with me growing up and (b) gave me opportunities to practice money management on a scale of 1 to 7 where 1 = strongly disagree and 7 = strongly agree (adapted from LeBaron-Black, Curran, Hill, Freeh, Toomey, and Speirs's (2022) parent financial socialization scale). The socialization items combined to create a reliable scale (alpha = .85).

Access to a larger financial social network was captured with the question: in financial crisis, how likely are you to receive support from people in your life where 1 = very unlikely to receive social support, 2 = fairly/somewhat likely to receive support, and 3 = very likely to receive support (adapted from Aslund, Larm, Starrin, and Nilsson, 2014).

Questions designed to measure coping were not reliable in the pilot data and will be replaced with resiliency-oriented questions in ongoing testing.

Willingness to take risk was measured from 0 (not at all) to 10 (very willing) in response to, “Some people are fully prepared to take financial risks when they save or make investments, while others try to avoid taking financial risks. Where are you on the scale?” Confidence in ability to meet financial goals was measured in three categories of (a) not all confident, (b) not very confident, and (c) somewhat confident.

Peer social comparison was measured in three categories of (a) worse off financially, (b) the same, and (c) better off financially. A single item assessing for feeling lonely was not retained. Satisfaction within four areas of life were captured on a four-point scale of not at all satisfied to very satisfied with an option for not applicable: job, relationship/marriage, parenting, and friends/social group.

Financial Well-Being

Financial well-being was defined as a state of feeling satisfied and served as the third element in creating financial wellness. Respondents were asked on a scale of 0 (not at all satisfied) to 10 (completely satisfied): (a) How do you feel about your financial life, (b) How do you feel about your household financial situation, and (c) How do you think your partner(s) feel about your household financial situation. Respondents were then asked to indicate how close to their ideal financial life they were presently where 0 = not at all, 1 = close, 2 = meeting, and 3 = exceeding. Finally, respondents were asked to indicate on a scale of 0 (not at all satisfied) to 10 (completely satisfied): When you consider your past, current, and future financial life, how do you feel?

All items had good response rates with little perceived confusion over the wording of the questions. The intention moving forward is to reduce the financial well-being items for parsimony to two items: (a) How do you feel about your household financial situation and (b) How do you think your partner(s) feel about your household financial situation? Alignment between these two responses will be calculated.

CONCLUSION

Financial wellness is widely regarded as a comprehensive and multidimensional concept that cannot be assessed through a single element, but rather through the assessment of both objective (e.g., the financial condition) and subjective (e.g., satisfaction) elements (Dare et al., 2023; Joo, 2008). Measuring wellness as an outcome requires us to be both holistic and reflective of one’s personal experience to fully understand an individual’s financial circumstance.

Drawing on the tenants of Cognitive Behavioral Therapy, we proposed the Consumer Financial Wellness Framework, suggesting that the way people behave, think, and feel are circular, and modification of one will result in modification of the others. For example, challenging unhelpful thoughts that are preventing people from engaging in positive behaviors and reaching their intended goals, will naturally modify feelings.

To test the proposed Consumer Financial Wellness Framework (e.g., psychological/social condition, resource management, and financial well-being), pilot data were collected. The preliminary results identified items that will be retained, as well as those that will be modified in future data collection efforts. Notably, items such as 'advice' will be more specific regarding designation, licenses, etc. as consumers may lack awareness and understanding of breadth of services provided by their financial professional resulting in an inaccurate reflection of engagement. Resource management will include a slight modification in computing financial ratios. Psycho-social and financial well-being items will be modified for parsimony.

Future data collection efforts and testing of the framework will incorporate these findings and expand to addressing financial planning efficacy (e.g., what impact does financial planning have on consumers), understanding selection issues associated with seeking financial professional advice, and the financial professional 'treatment' (e.g., services) being received by the consumer, and the impact on consumer financial wellness.

NEXT STEPS

CFP Board's Managing Director of Research and contracted research team will work closely with an external research organization to execute and manage a 10-year longitudinal study. The data will broadly cover household finances, well-being, and measures of the usage of professional financial planning services. The ideal data will be able to match client data to their financial advisor data to allow for comparison of perceptions of services and outcomes. The primary research objective is to compare financial planning outcomes of a diverse and representative sample of CFP® professional-advised households, non-CFP® professional-advised households, and US households who do not work with professional advisors.

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Appendix A

Pilot Data Codebook

Principal Investigators and Research Group

Stuart J. Heckman	Co-Principle Investigator
Emily Koochel	Co-Principle Investigator
Sonya Lutter	Co-Principle Investigator
Kevin Roth	Project Director

Previous Contributors

Michael Kothakota	Past Project Director

<u>Pilot Data Codebook Citation:</u>
Heckman, S. J., Koochel, E., & Lutter, S. (2023). Client Impact Survey pilot codebook. CFP Board of Standards, Inc.

Client Impact Study Description
Financial wellness is widely regarded as a comprehensive and multidimensional concept that cannot be assessed through a single element, but rather through the assessment of both objective (e.g., the financial condition) and subjective (e.g., satisfaction) elements. To test the modified Cognitive-Behavioral Therapy model proposed for the Consumer Financial Wellness Framework (e.g., psychological/social condition, resource management, and financial well-being), pilot data were collected from a paid SurveyMonkey sample of 413 respondents. To qualify for the survey, respondents had to be living in the United States, be between the ages of 18 and 99, and report a household income of $75,000 or more.

Introductory Survey Page for Respondents
Informed Consent

What is this research studying? This study will help us learn about financial well-being among working adults.
What would I do if I participate? If you proceed to the survey, you will be asked to select words that are important and descriptive of you. You will also be asked about your thoughts and behaviors around personal finances.
Can I quit if I become uncomfortable? Yes! Sonya Lutter, Ph.D. and Texas Tech University's Institutional Review Board have reviewed this research project and think you can participate comfortably. However, you can skip parts of the research you are not comfortable with and stop at any time. You will keep all the benefits of participating even if you stop. Participating is your choice.
How long will participation take? We are asking for about 5 minutes of your time.
How are you protecting privacy? Your name will not be linked to any material in reports, publications or presentations. No one other than the researchers associated with this project will have access to the raw data which will not contain your name or other identifiable markers. All related documentation will be stored on a password protected computer.
What are the benefits and risks of participating in this research? There are no anticipated risks or benefits to your participation in this research. We appreciate your time and effort with this research study.
I have some questions about this study. Who can I ask? The study is being run by Sonya Lutter, Ph.D., CFP(R), LMFT from the School of Financial Planning at Texas Tech University. If you have questions, you can contact her at sonya.lutter@ttu.edu. Texas Tech University also has an Institutional Review Board that protects the rights of people who participate in research. You can contact them at 806-742-2064 or hrpp@ttu.edu.

Funding Information
Data collection for this study was funded by the CFP Board of Standards, Inc.

Collection Dates
Pilot 1: September 26, 2023

Dataset Management Variables
Respondent Identification Number (Variable Name = ID)

Historical Information
Pilot 1. The intent of the pilot was to test measurement items of the financial wellness framework.

Advice

Stem: **Do you get financial advice from any of the following sources? Mark all that apply. ADVICE_** Response Categories: 1 = yes, 0 = no		**P1**
Variable Name	**Variable Labels**	
ADVICE_BANKER	Personal banker	X
ADVICE_CFP	CFP® professional	X
ADVICE_FP	Financial planner	X
ADVICE_CPA	CPA (accountant)	X
ADVICE_ADVISOR	Another professional advisor	X
ADVICE_OTHER	Other (please specify)	X

METHOD SECTION SUMMARY PARAGRAPH

Respondents were asked to indicate where they got financial advice from which included: Personal banker, CFP® professional, financial planner, CPA (accountant), another professional advisor, or someone else. With financial wellness as the desired outcome, the data captured elements of the framework including acting (i.e., resource management), thinking (i.e., psychological/social condition), and feeling (i.e., financial well-being) content and fulfilled with one's financial situation.

SUPPORTING LITERATURE

n/a

HISTORICAL INFORMATION

n/a

REFERENCE

n/a

RELIABILITY

n/a

Demographic Items

Stem: various (see each item below) Response Categories: various (see each item below)		**P1**
Variable Name	**Variable Labels**	
GENDER	0 = Woman 1 = Man 3 = Non-binary 4 = A gender not listed here 98 = Prefer not to answer	X
AGE	1 = 18 to 24 2 = 25 to 34 3 = 35 to 44 4 = 45 to 54	X

	5 = 55 to 64 6 = 65 to 74 7 = 75 or older	
ED	0 = Did not attend School 1 = 1st grade 2 = 2nd grade 3 = 3rd grade 4 = 4th grade 5 = 5th grade 6 = 6th grade 7 = 7th grade 8 = 8th grade 9 = 9th grade 10 = 10th grade 11 = 11th grade 12 = Graduated from high school 13 = 1 year of college 14 = 2 years of college 15 = 3 years of college 16 = Graduated from college 17 = Some graduate school 18 = Completed graduate school	
EMPLOYED	Employed, working full-time Employed, working part-time Not employed, looking for work Not employed, NOT looking for work Retired Disabled, not able to work	
MS	Which of the following best describes your current relationship status? 0 = Single, never married 1 = Married 2 = Widowed 3 = Divorced 4 = Separated 5 = Cohabiting with a significant other or in a domestic partnership 98 = Prefer not to answer	X
HHINC	What is your average household income? 1 = Under $100,000	X

	2 = Between $100,000 and $150,000 3 = Between $150,000 and $200,000 4 = Above $200,000	
HHINCPERCENT	Approximately what percentage of that income do you contribute to the total?	X
ASSETS	What is the total value of your household's investable assets? Investable assets include all liquid financial assets that are, or could be invested (e.g. bank account balances, retirement accounts, trusts, etc.). Investable assets do not include businesses, real estate or other property. 1 = Less than $100,000 2 = $100,000 to $249,999 3 = $250,000 to $499,999 4 = $500,000 to $749,999 5 = $750,000 to $999,999 6 = $1,000,000 or more 98 = Prefer not to answer	X
REGION	East North Central East South Central Middle Atlantic Mountain New England Pacific South Atlantic West North Central West South Central	X

Stem: What is your racial or ethnic identity? (Select all that apply.) Response Categories: 1 = yes, 0 = no		**P1**
Variable Name	**Variable Labels**	
BLACK	African American/Black	X
EASTASIAN	East Asian	X
HISPANIC	Hispanic/Latinx	X
MIDDLE	Middle Eastern	X
INDIAN	American Indian/Alaskan Native	X

PACIFIC	Pacific Islander	X
SOUTHASIAN	South Asian	X
SEASIAN	Southeast Asian	X
WHITE	White	X
RACE_OTHER	Other (please specify)	X

Resource Management

Insurance Protection

Stem: How well are your following assets protected with insurance? INS_ Response Categories: 0 = I prefer self-insurance 1 = Not at all 2 = Partial insurance coverage 3 = Full insurance coverage 4 = Exceeding 99 = I don't know 98 = n/a		**P1**
Variable Name	**Variable Labels**	
INS_PP	Personal property (car, house, etc.)	X
INS_DISABILITY	Working ability (disability insurance)	X
INS_LIFE	Dependents (life insurance)	X

METHOD SECTION SUMMARY PARAGRAPH

Protection of personal property (i.e., car, house, etc.), working ability (i.e., disability insurance), and dependents (i.e., life insurance) was assessed by the question, "how well are your following assets protected with insurance" with options of (a) I prefer self-insurance, (b) not at all, (c) partial insurance coverage, (d) full insurance coverage, (e) exceeding, (f) I don't know, or (g) not applicable.

SUPPORTING LITERATURE

Insurance planning is an important component of risk management within the financial plan, as losses without proper coverage could be insurmountable. For example, without proper life insurance coverage, most families or individuals would need to adjust or reduce their current standard of living in the event of the death of a spouse. The same could be argued for other significant losses (e.g., loss of work, home, etc.). As such, many large-scale national studies inquire about insurance coverage (e.g., Survey of Consumer Finances, National Financial Capability Study, Report on Economic Well-being, etc.). For example, "Do you (or anyone in your family living here) have any life insurance?" (Federal Reserve, 2022).

HISTORICAL INFORMATION

n/a

REFERENCE

Federal Reserve. (2022). Codebook for 2022 Survey of Consumer Finance. Retrieved from https://www.federalreserve.gov/econres/files/codebk2022.txt

RELIABILITY
n/a

Asset Holdings

Stem: Which of the following best describes where your money is held? Mark all that apply. ACCT_ Response Categories: 1 = marked, 0 = not marked		**P1**
Variable Name	**Variable Labels**	
ACCT_CASH	Cash	X
ACCT_BANK	Bank accounts	X
ACCT_BROKERAGE	Brokerage accounts (including 401(k)s, 403(b)s, etc.)	X
ACCT_STOCK	Single stocks/investments (including crypto or gaming accounts)	X
ACCT_MF	Mutual funds/ETFs	X
ACCT_RE	Real estate that you don't live in	X
ACCT_VENTURE	Venture capital	X
ACCT_OTHER	Other	X
ACCT_CASHONLY	CREATED VARIABLE IF ONLY ACCT_CASH WAS MARKED	X

METHOD SECTION SUMMARY PARAGRAPH

Diversity of asset holdings was captured by asking respondents which of the following best describes where respondents money is held with the option to mark multiple responses: (a) cash, (b) bank accounts, (c) brokerage accounts, (d) single stocks/investments, (e) mutual funds/ETFs, (f) real estate that respondent does not live in, (g) venture capital, (h) other, and a created variable of (i) cash only if only option a was selected.

SUPPORTING LITERATURE

Financial management, and specifically resource allocation, has been shown to be positively related to financial wellness (Prawitz & Cohart, 2016). To better understand a respondent's current financial holdings, consumer finance studies regularly assess financial assets.

HISTORICAL INFORMATION
ACCT_ was deleted from the analysis because of low reliability.

REFERENCE

Prawitz, A. D., & Cohart, J. (2016). Financial management competency, financial resources, locus of control, and financial wellness. *Journal of Financial Counseling and Planning*, *27*(2), 142-157.

RELIABILITY
n/a

Tax Efficiency

<table>
<tr><td colspan="2">Stem: I am managing my taxes efficiently.

Response Categories: 1 = strongly disagree, 2 = disagree, 3 = somewhat disagree, 4 = neither agree nor disagree, 5 = somewhat agree, 6 = agree, 7 = strongly agree, 99 = I don’t know</td><td>P1</td></tr>
<tr><td>Variable Name</td><td>Variable Labels</td><td></td></tr>
<tr><td>TAXES</td><td>I am managing my taxes efficiently.</td><td>X</td></tr>
</table>

METHOD SECTION SUMMARY PARAGRAPH

Tax efficiency was self-assessed with how well respondents felt they were managing their taxes efficiently on a scale of 1-7 where 1 = strongly disagree and 7 = strongly agree with an option of “I don’t know.”

SUPPORTING LITERATURE

Managing personal finances effectively includes not paying unnecessary taxes (Garman & Forgue, 2017). As such, this item assesses how well respondents are managing their taxes overall.

HISTORICAL INFORMATION
n/a

REFERENCE
Garman, E. T. & Forgue, R. E. (2018). *Personal finance*. Cengage Learning.

RELIABILITY
n/a

Retirement Preparation

Stem: Which of the following best describes your retirement account or savings situation? Response Categories: 1 = Not sure if I have a retirement account. 2 = Don’t have retirement account. 3 = Less than my annual salary saved. 4 = About my annual salary saved. 5 = About 2-3 times my annual salary saved. 6 = More than 3 times my annual salary saved. 7 = Don't know amount saved.		**P1**
Variable Name	**Variable Labels**	
RET	Which of the following best describes your retirement account or savings situation?	X

METHOD SECTION SUMMARY PARAGRAPH

Respondents could select one of the following categories regarding retirement preparation: (a) I’m not sure if I have a retirement account, (b) I don’t have a retirement account, (c) I have less than my annual salary saved, (d) I have about my annual salary saved, (e) I have about 2-3 times my annual salary saved, (f) I have more than 3 times my annual salary saved, or (g) I don't know the amount saved I have saved.

SUPPORTING LITERATURE

“As more individuals approach and cross over the retirement threshold, it is crucial to ascertain whether they actually know how to plan for retirement and whether they seem able to execute these plans effectively” (Lusardi & Mitchell, 2011, p. 16). Research has shown financial knowledge and planning are interrelated, specifically the ability to manage savings for retirement. As such, questions inquiring about planning for retirement, saving for retirement, and expectations and experiences have been utilized in large scale national studies (e.g., Federal Reserve Board’s Economic Well-being of U.S. Households reports). Previous reports have included items such as “how much thought have you given to your financial planning retirement”, “what types of retirement savings or pension do you have” (Federal Reserve Report on Economic Wellbeing, 2015) as well as questions regarding retirement savings *and* perceived preparedness (Federal Reserve Report on Economic Wellbeing, 2020).

HISTORICAL INFORMATION

n/a

REFERENCES

Board of Governors of the Federal Reserve System (2015). *Report on economic well-being of U.S. households in 2014*. https://www.federalreserve.gov/econresdata/2014-report-economic-well-being-us-households-201505.pdf

Board of Governors of the Federal Reserve System (2020). *Report on the economic well-being of U.S. households in 2019, featuring supplement data from April 2020. https://www.federalreserve.gov/publications/files/2019-report-economic-well-being-us-households-202005.pdf*

Lusardi, A., & Mitchell, O. S. (2011). *Financial literacy and planning: Implications for retirement wellbeing* (No. w17078). National Bureau of Economic Research, 1-20.

RELIABILITY

n/a

Estate Preparation

Stem: Which of the following best describes your end-of-life plans? Mark all that apply. EOL_ Response Categories: 1 = marked, 0 = not marked		**P1**
Variable Name	**Variable Labels**	
EOL_DISCUSS	I have discussed my estate planning with a professional.	X
EOL_WILL	I have a will.	X
EOL_POA	I have a durable power of attorney.	X
EOL_LIVINGWILL	I have a living will.	X
EOL_BENE	I have beneficiaries listed on all of my assets.	X

METHOD SECTION SUMMARY PARAGRAPH

Respondents could select multiple categories of end-of-life plans in place: (a) I have discussed my estate planning with a professional, (b) I have a will, (c) I have a durable power of attorney, (d) I have a living will, and/or (e) I have beneficiaries listed on all of my assets.

SUPPORTING LITERATURE

It is well established that sound financial behaviors are positively related to financial well-being. Financial behaviors include proper behavior with various personal finances topics such as credit and debt management, retirement planning, etc. (Joo, 2008). However, estate planning is unique in that it is a long-term financial behavior with consequences that are more likely to be realized and/or felt by the heirs and legatees rather than the decedent (Kyoung & Richard, 2021). In 2018, for the first time, the FINRA Investor Education Foundation Nation Financial Capability Study (NFCS) included the question, “Do you currently have a will?”. Having a will is often the first step to creating and estate plan, providing explicit intent of the decedent, illustrating a long-term financial behavior. This item expands on the NFCS question to include additional assessments of estate preparedness.

HISTORICAL INFORMATION

n/a

REFERENCES

FINRA Investor Education Foundation. (2019). The state of U.S. financial capability: The 2018 national financial capability study. https://finrafoundation.org/sites/finrafoundation/files/NFCS-2018-Report-Natl-Findings.pdf

Joo, S. (2008). Personal financial wellness. In J. J. Xiao (Ed.), *Handbook of consumer finance research* (pp. 21-33). Springer publishing.

Kyoung, T. K., & Richard, S. (2021). Everybody dies: Financial education and basic estate planning. *Journal of Financial Counseling and Planning*, *32*(3), 402-416.

RELIABILITY
n/a

Emergency Preparation

Stem: Please answer yes/no/don't know Response Categories: 1 = yes, 0 = no, 99 = Don't know		**P1**
Variable Name	**Variable Labels**	
EMER_1	I have emergency or rainy day funds to cover expenses for 3 months in case of sickness, job loss, economic downturn, or other emergencies.	X
EMER _2	If I were to lose my main source of income, I could cover expenses for 3 months by borrowing money, using savings, or selling assets.	X

METHOD SECTION SUMMARY PARAGRAPH

Three options for emergency preparedness were offered from yes, no, and I don't know in response to, " I have emergency or rainy day funds to cover expenses for 3 months in case of sickness, job loss, economic downturn, or other emergencies" and "If I were to lose my main source of income, I could cover expenses for 3 months by borrowing money, using savings, or selling assets."

SUPPORTING LITERATURE

An emergency fund is generally a cash reserve that is available to an individual or household specifically set aside for unplanned expense and/or emergencies and can be used without penalty. Previous studies have defined suitable emergency funds as having financial assets that are sufficient enough to cover at least three months of spending (Lee & Hanna, 2022). As such, questions inquiring about the adequacy of an individual or household's emergency funds have regularly occurred in national studies consumer and financial wellbeing studies (e.g., Survey of Consumer Finances, Consumer Financial Protection Bureau Financial Well Being).

HISTORICAL INFORMATION
n/a

REFERENCES

Lee, S. T., & Hanna, S. D. (2022). What, me worry? Financial knowledge overconfidence and the perception of emergency fund needs. *Journal of Financial Counseling and Planning*, *33*(1), 140-155.

RELIABILITY

Reliability	P1
Respondent	.69

Managing Resources Effectively

Stem: various (see each item below) Response Categories: various (see each item below)		P1
Variable Name	**Variable Labels**	
LEFT	Which of these statements best describes how much money you have left over at the end of a typical month? 1 = Not enough money to make ends meet 2 = Just enough money to make ends meet 3 = Some money left over 4 = A lot of money left over 99 = Don't know	X
GETBY	Overall, which one of the following best describes how well you are managing financially these days? 1 = Finding it difficult to get by 2 = Just getting by 3 = Doing okay 4 = Living comfortably	X

METHOD SECTION SUMMARY PARAGRAPH

Self-assessment of how well respondents felt they were managing their resources on a regular basis included two items. First, which of these statements best describes how much money you have left over at the end of a typical month: (a) not enough money to make ends meet, (b) just enough money to make ends meet, (c) some money left over, (d) a lot of money left over, or (e) I don't know. Secondly, which one of the following best describes how well you are managing financially these days: (a) finding it difficult to get by, (b) just getting by, (c) doing okay, or (d) living comfortably.

SUPPORTING LITERATURE

Previous studies have found that personal financial management is positively associated financial wellness (Prawitz & Cohart, 2016). As such, behavioral and attitudinal assessments of personal financial management have been used to measure financial well-being, specifically assessments of day-to-day money management, ability to save, and the propensity to plan for finances amongst others

(CFPB, 2017). These items were adapted from CFPB's Financial Wellbeing Scale, "I have money left over at the end of the month" and "I am just getting by financially".

HISTORICAL INFORMATION

n/a

REFERENCES

Consumer Financial Protection Bureau. (2017a). *Financial well-being in America.* Retrieved from https://files.consumerfinance.gov/f/documents/201709_cfpb_financial-well-being-in-America.pdf.

Prawitz, A. D., & Cohart, J. (2016). Financial management competency, financial resources, locus of control, and financial wellness. *Journal of Financial Counseling and Planning*, *27*(2), 142-157.

RELIABILITY

n/a

Psychological/Social Condition

Core Values

Stem: Please answer yes/no/don't know Response Categories: 1 = yes, 0 = no, 99 = Don't know		**P1**
Variable Name	**Variable Labels**	
CORE_1	I know my core values.	X
CORE_2	I make financial decisions based on my core values.	X

METHOD SECTION SUMMARY PARAGRAPH

Core values were measured with two items. First, respondents were asked if they knew their core values with options of yes, no, and I don't know. Secondly, respondents were asked if they make financial decisions based on their core values with the same options.

SUPPORTING LITERATURE

Discussions and research on values spans multiple disciplines, social and behavioral sciences, law, medicine, education, amongst others. Values are the guide for helping people discern their priorities, determine trade-offs, and generally help the development of personal preferences. According to Vitt (2004), values are central to our concept of self, key features of our personal and social identity, and remaining relatively stable over time. Our values generally consist of core ideas about desirable goals and the desirable actions or behaviors that help attain those goals.

Evidence from earlier studies of consumer financial decision making suggests that due to the complex nature of many financial decisions, many consumers think about finances based primarily on what they value in nonfinancial life areas. Therefore, even when financial knowledge is limited, these values drive financial decision making.

HISTORICAL INFORMATION

Items were not included in the summary data due to their poor reliability and confusion among people selecting they do not know their core values but then selecting that they use their core values to make decisions.

REFERENCE

Vitt, L. A. (2004). Consumers' financial decisions and the psychology of values. *Journal of Financial Service Professionals, 58*(6), 68-78.

RELIABILITY

Reliability	**P1**
Respondent	.58

Control

Stem: In the last month, how often have you felt that you were unable to control the important things in your life? Response Categories: 1 = Never 2 = Almost never 3 = Sometimes 4 = Fairly often 5 = Very often		**P1**
Variable Name	**Variable Labels**	
CONTROL	In the last month, how often have you felt that you were unable to control the important things in your life?	X

METHOD SECTION SUMMARY PARAGRAPH

Control was measured by asking respondents how often in the last month they have felt that they were unable to control the important things in life with the corresponding responses of (a) never (b) almost never (c) sometimes (d) fairly often and (e) very often.

SUPPORTING LITERATURE

The Perceived Stress Scale (PSS) is a widely used psychological instrument for measuring the perception of stress. It is a measure of the degree to which situations in one's life are appraised as stressful. Items were designed to assess how unpredictable, uncontrollable, and overloaded respondents find their lives. Perceived ability to control the important things in respondents' lives over the last month was captured in five categories ranging from never to very often based upon a single item within the Perceived Stress Scale by the State of New Hampshire's EAP.

Expansion option: The 10-item self-reported Perceived Stress Scale (PSS-10; Cohen & Williamson, 1988) is a widely used psychological instrument to assess the degree to which situations in one's life are appraised as stressful. Respondents rate the frequency of their feelings and thoughts about life events and situations over the previous month using a five-point scale ranging from (0) Never to (4) Very Often. The PSS yields a total score that describes overall perceived stress.

HISTORICAL INFORMATION
n/a

REFERENCE

Cohen, S. & Williamson, G. (1988). Perceived stress in a probability sample of the United States. In S. Spacapan & S. Oskamp (Eds.) *The Social Psychology of Health* (31-67). Sage.

RELIABILITY
n/a

Financial Anxiety

Stem: How well do the following statements describe you? ANXIETY_ Response Categories: 1 = not at all, 2 = very little, 3 = somewhat, 4 = completely		**P1**
Variable Name	**Variable Labels**	
ANXIETY_1	My finances control my life.	X
ANXIETY _2	Thinking about my financial situation can make me feel nervous, anxious, or on edge.	X
ANXIETY_3	I have difficulty controlling worrying about my financial situation.	
ANXIETY_4	I could handle a major unexpected expense.	

METHOD SECTION SUMMARY PARAGRAPH

Financial anxiety was measured with a unique scale of three items based upon work of Archuleta, Dale, and Spann's (2013) Financial Anxiety Scale and the Generalized Anxiety Disorder 2 item scale (Kroenke, Spitzer, Williams, Monahan, & Löwe, 2007). The items included: (a) my finances control my life; (b) thinking about my financial situation can make me feel nervous, anxious, or on edge; and (c) I have difficulty controlling worrying about my financial situation.

SUPPORTING LITERATURE

Financial anxiousness or worry about one's financial situation, has been found to be an important contributor in determining whether a consumer intends to engage in financial planning activity in the future, with those who exhibited high financial anxiety being the least likely to seek financial advice (Grable, Heo, & Rabbani, 2015). Conversely, Gasiorowska's (2014) study found that those with higher income were less nervous, worried, and doubtful about money decisions, and these reduced levels of anxiety were shown to lead to higher financial satisfaction.

HISTORICAL INFORMATION

ANXIETY_4 was deleted from the analysis because of low reliability with the remaining three items.

REFERENCES

Archuleta, K. L., Dale, A., & Spann, S. M. (2013). College students and financial distress: Exploring debt, financial satisfaction, and financial anxiety. *Journal of Financial Counseling and Planning, 24*(2), 50-62. https://doi.org/10.1037/t13109-000.

Gasiorowska, A. (2014). The relationship between objective and subjective wealth is moderated by financial control and mediated by money anxiety. *Journal of Economic Psychology*, *43*, 64-74. https ://doi.org/10.1016/j.joep.2014.04.007.

Grable, J., Heo, W., & Rabbani, A. (2015). Financial anxiety, physiological arousal, and planning intention. *Journal of Financial Therapy*, *5*(2), 1-18. https://doi.org/10.4148/1944-9771.1083.

Kroenke, K., Spitzer, R. L., Williams, J. B., Monahan, P. O., & Löwe, B. (2007). Anxiety disorders in primary care: Prevalence, impairment, comorbidity, and detection. *Annals of Internal Medicine, 146*, 317-325.

RELIABILITY

Reliability	**P1**
Respondent	.85

Coping

Stem: In the last month, how often have you: COPE_ Response Categories: 1 = never, 2 = almost never, 3 = sometimes, 4 = fairly often, 5 = very often		**P1**
Variable Name	**Variable Labels**	
COPE_1	Found that you could not cope with all the things that you had to do?	X
COPE _2	Felt that you were on top of things?	X

METHOD SECTION SUMMARY PARAGRAPH

Coping was measured with two items from the Perceived Stress Scale (PSS -10; Cohen & Williamson, 1988). The first item is reverse coded so that the summated score indicates high coping ability.

HISTORICAL INFORMATION

Items were not included in the summary data due to their poor reliability.

REFERENCE

Cohen, S. & Williamson, G. (1988). Perceived stress in a probability sample of the United States. In S. Spacapan & S. Oskamp (Eds.) *The Social Psychology of Health* (31-67). Sage.

RELIABILITY

Reliability	**P1**
Respondent	.14

Financial Crisis

Stem: In a financial crisis, how likely are you to receive support from people in your life? Response Categories: 1 = Very unlikely to receive social support in times of crisis 2 = Fairly/somewhat likely to receive support in times of crisis 3 = Very likely to receive support in times of crisis		**P1**
Variable Name	**Variable Labels**	
CRISIS	In a financial crisis, how likely are you to receive support from people in your life?	X

METHOD SECTION SUMMARY PARAGRAPH

Access to a larger financial social network was captured with the question: in financial crisis, how likely are you to receive support from people in your life where 1 = very unlikely to receive social support, 2 = fairly/somewhat likely to receive support, and 3 = very likely to receive support. The item was adapted from Aslund, Larm, and Starrin's (2014) research which asked, "Do you have persons around you would give you support in the event of a personal problem or crises?" (p. 3).

SUPPORTING LITERATURE

Mental health research has demonstrated a link between social relationships/social support and wellness. Aslund at al. (2014) reported individuals with high financial stress and low tangible social support had six to seven times increased odds ratios for low psychological well-being. Conversely, individuals with high reported financial stress and high tangible social support had two to three times increased odds ratios for low psychological well-being. These results suggested a buffering effect of tangible social support.

HISTORICAL INFORMATION

n/a

REFERENCE

Aslund, C., Larm, P., & Starrin, B. (2014). The buffering effect of tangible social support on financial stress: Influence on psychological well-being and psychosomatic symptoms in a large sample of the adult general population. *International Journal for Equity in Health, 85*(13), 1-9. https://doi.org/10.1186/s12939-014-0085-3

RELIABILITY
n/a

Loneliness

Stem: How often do you feel lonely these days? Response Categories: 1 = never, 2 = sometimes, 3 = often, 4 = all the time		**P1**
Variable Name	**Variable Labels**	
LONELY	How often do you feel lonely these days?	X

METHOD SECTION SUMMARY PARAGRAPH

How often do you feel lonely these days was measured in four categories of (a) never, (b) sometimes, (c) often and (d) all the time.

SUPPORTING LITERATURE

Loneliness is widely understood to be a subjective and emotional state of social isolation and relationship deficit. Literature suggests that greater access and involvement in financial services, as well as social determinants such as better socioeconomic status, influences participation in building and developing a stronger network which may enhance psychological and emotional well-being. Gyasi et al. (2020) found financial inclusion for later in life adults, especially older women and those who engage in physical activity, were associated with decreased loneliness, suggesting that financial inclusion may crucially improve psychological health and emotional wellbeing among aging adults.

HISTORICAL INFORMATION

Items were not retained.

REFERENCE

Gyasi, R. M., & Adam, A. M. (2020). Does financial inclusion predict lower risk of loneliness in later life? Evidence from the AgeHeaPsyWel-HeaSeeB study 2016–2017. *Aging & Mental Health*, DOI: 10.1080/13607863.2020.1786006

RELIABILITY
n/a

Financial Risk Tolerance

Stem: Some people are fully prepared to take financial risks when they save or make investments, while others try to avoid taking financial risks. Where are you on the scale? Response Categories: 0 = not at all willing to take risks to 10 = very willing to take risks		**P1**
Variable Name	**Variable Labels**	

RISK	Some people are fully prepared to take financial risks when they save or make investments, while others try to avoid taking financial risks. Where are you on the scale?	X

METHOD SECTION SUMMARY PARAGRAPH

Willingness to take risk was measured from 0 (not at all) to 10 (very willing) in response to, "Some people are fully prepared to take financial risks when they save or make investments, while others try to avoid taking financial risks. Where are you on the scale?"

SUPPORTING LITERATURE

Financial risk tolerance is an important factor that influences a wide range of personal financial decisions, and as a result can have a significant impact on financial outcomes. Grable (2000) defined financial risk tolerance as "the maximum amount of uncertainty that someone is willing to accept when making a financial decision, reaches into almost every part of economic and social life" (p. 625). For decades researchers have been interested in understanding this influencing factor, as evidenced in large national studies. The Survey of Consumer Finances (SCF), sponsored by the Federal Reserve Board, is a convenient and comprehensive source on U.S. household finances, known for employing a complex sampling system that provides a sizable number of households and allows estimations of the U.S. population. The most recent survey was conducted in 2022; however, financial risk willingness has been asked since 2016 (Federal Reserve, 2022).

HISTORICAL INFORMATION

n/a

REFERENCES

Grable, J. E. (2000). Financial risk tolerance and additional factors that affect risk taking in everyday money matters. *Journal of Business and Psychology*, *14*(4), 625-630. doi:10.1023/A: 1022994314982

Federal Reserve. (2022). Codebook for 2022 Survey of Consumer Finance (2022). Retrieved from https://www.federalreserve.gov/econres/files/codebk2022.txt

RELIABILITY

n/a

Financial Decision-Making

Stem: When it comes to decisions regarding your household's financial activities (such as banking and investing decisions), which of the following statements best describes your involvement? Response Categories: 1 = I make most of the decision, 2 = Another household member and I share in the decisions, 3 = Another household members makes most of the decisions	**P1**

Variable Name	Variable Labels	
FINDEC	When it comes to decisions regarding your household's financial activities (such as banking and investing decisions), which of the following statements best describes your involvement?	X

METHOD SECTION SUMMARY PARAGRAPH

Household financial decision-making included options of (a) I make most of the decisions, (b) another household member and I share, and (c) another household member makes most decisions.

SUPPORTING LITERATURE

A primary purpose of the CFPB's National Financial Well-being survey was to "examine how consumers make financial decisions and how those decisions might relate to the well-being of household members" (CFPB, 2017, p. 69), which included items such as who in the household makes financial decisions where (a) someone else takes care of all or most money matters in my household, (b) someone else and I take care of money matters in my household about the same, or (c) I take care of all or most money matters in my household.

HISTORICAL INFORMATION

n/a

REFERENCE

Consumer Financial Protection Bureau. (2017b). *National financial well-being survey public use file user's guide.* Retrieved from https://files.consumerfinance.gov/f/documents/cfpb_nfwbs-puf-user-guide.pdf

RELIABILITY

n/a

Financial Confidence

Stem: If you were to set a financial goal for yourself today, how confident are you in your ability to achieve it? Response Categories: 1 = not at all confident, 2 = not very confident, 3 = somewhat confident, 4 = very confident		**P1**
Variable Name	**Variable Labels**	
GOAL	If you were to set a financial goal for yourself today, how confident are you in your ability to achieve it?	X

METHOD SECTION SUMMARY PARAGRAPH

Confidence in ability to meet financial goals was measured in three categories of (a) not all confident, (b) not very confident, and (c) somewhat confident.

SUPPORTING LITERATURE

Financial capability has been found to be an important determinant of a person's financial well-being (Xiao & Porto, 2017), with financial capability referring to financial knowledge, skills, and behaviors that an individual can use as tools to help manage their financial lives.

Previous literature points to a positive correlation between financial capability and how consumers assess their own welfare (e.g., financial satisfaction, financial happiness, financial well-being) (Xiao, Cheng, & Fuzhong, 2014). With more recent findings citing financial confidence influences both financial well-being and financial behavior (Respati, Widyastuti, Nuryati, Musyaffi, Handayani, & Ali, 2023).

HISTORICAL INFORMATION

n/a

REFERENCES

Respati, D. K., Widyastuti, U., Nuryati, T., Musyaffi, A. M., Handayani, B. D., & Ali, N. R. (2023). How do students' digital financial literacy and financial confidence influence their financial behavior and financial well-being? *Nurture*, *17*(2), 40-50. https://doi.org/10.55951/nurture.v17i2.154

Xiao, J. J., & Porto, N. (2017). Financial education and financial satisfaction: Financial literacy, behavior, and capability mediators. *International Journal of Bank Marketing*, *35*(5), 805-817.

Xiao, J. J., & Cheng, C., & Fuzhong, C. (2014). Consumer financial capability and financial satisfaction. *Social Indicators Research*, *118*(1), 415-432.

RELIABILITY

n/a

Family Financial Socialization

Stem: Growing up, the adults in my life (e.g., parents, caregivers): SOCIAL_ Response Categories: 1 = strongly disagree, 2 = disagree, 3 = somewhat disagree, 4 = neither agree nor disagree, 5 = somewhat agree, 6 = agree, 7 = strongly agree, 99 = I don’t know		**P1**
Variable Name	**Variable Labels**	
SOCIAL_1	Discussed financial matters with me growing up.	X
SOCIAL _2	Gave me opportunities to practice money management.	X

METHOD SECTION SUMMARY PARAGRAPH

To capture family financial socialization, respondents were asked two questions: Growing up, the adults in my life (e.g., parents, caregivers): (a) discussed financial matters with me growing up and (b) gave me opportunities to practice money management on a scale of 1 to 7 where 1 = strongly disagree and 7 = strongly agree. Questions were adapted from LeBaron-Black, Curran, Hill, Freeh, Toomey, and Speirs’s (2022) parent financial socialization scale.

SUPPORTING LITERATURE

Financial socialization is “the process of acquiring and developing values, attitudes, standards, norms, knowledge, and behaviors that contribute to the financial viability and well-being of the individual” (Danes, 1994, p. 128).

HISTORICAL INFORMATION

n/a

REFERENCES

Danes, S. M. (1994). Parental perceptions of children’s financial socialization. *Financial Counseling and Planning, 5*(1), 127-149.

LeBaron-Black, A. B., Curran, M. A., Hill, E. J., Freeh, M. E., Toomey, R. B., & Speirs, K. E. (2022). Parent financial socialization scale: Development and preliminary validation. *Journal of Family Psychology*, *36*(6), 943-953. https://doi. org/10.1037/fam0000927

RELIABILITY

Reliability	**P1**
Respondent	.85

Peer Comparison

Stem: Compared to my peers, I am: Response Categories: 1 = worse off financially, 2 = the same financially, 3 = better off financially		**P1**
Variable Name	**Variable Labels: Self**	
PEER	Compared to my peers, I am:	X

METHOD SECTION SUMMARY PARAGRAPH

Peer social comparison was measured in three categories of (a) worse off financially, (b) the same, and (c) better off financially.

SUPPORTING LITERATURE

Income comparisons between individuals has been shown to influence financial well-being (Layard et al., 2010), with comparison effects being negative, and information effects influencing positively (Brown, & Gray, 2016, Senik, 2008). Cheung and Lucas (2015) suggested that social comparison of income may play a role in the association between relative income and life satisfaction. This builds on previous work that has shown that income inequality is associated with psychological well-being and life satisfaction (Oishi, Kesebir, & Diener, 2011).

HISTORICAL INFORMATION

n/a

REFERENCES

Brown, S., & Gray, D. (2016). Household finances and well-being in Australia: An empirical analysis of comparison effects. *Journal of Economic Psychology*, *53*, 17-36.

Cheung, F., & Lucas, R. E. (2016). Income inequality is associated with stronger social comparison effects: The effect of relative income on life satisfaction. *Journal of Personality and Social Psychology*, *110*(2), 332-341.

Layard, R., Mayraz, G., & Nickell, S. (2010). Does relative income matter? Are the critics right. *International Differences in Well-Being, 28*, 139-166.

Senik, C. (2008). Ambition and jealousy: Income interactions in the 'Old' Europe versus the 'New' Europe and the United States. *Economica*, *75*(299), 495-513.

Oishi, S., Kesebir, S., & Diener, E. (2011). Income inequality and happiness. *Psychological Science*, *22*(9), 1095-1100.

RELIABILITY

n/a

Satisfaction

<table>
<tr><td colspan="2">Stem: Please rate your satisfaction with the following areas of life.

SAT_

Response Categories: 1 = not at all satisfied, 2 = somewhat satisfied, 3 = satisfied, 4 = very satisfied, 98 = n/a</td><td>P1</td></tr>
<tr><td>Variable Name</td><td>Variable Labels</td><td></td></tr>
<tr><td>SAT_JOB</td><td>Job</td><td>X</td></tr>
<tr><td>SAT_REL</td><td>Relationship/marriage</td><td>X</td></tr>
<tr><td>SAT_PARENT</td><td>Parenting</td><td>X</td></tr>
<tr><td>SAT_SOCIAL</td><td>Friends/social group</td><td>X</td></tr>
</table>

METHOD SECTION SUMMARY PARAGRAPH

Satisfaction within four areas of life were captured on a four-point scale of not at all satisfied to very satisfied with an option for not applicable: job, relationship/marriage, parenting, and friends/social group.

SUPPORTING LITERATURE

Different terms have been used to define wellbeing, such as one's own happiness or life satisfaction, etc., with associations ranging across experiences, not only related to finances (Benjamin, Heffetz, Kimball, & Szembrot, 2014). Generally, satisfaction as it relates to well-being is an evaluation of one's satisfaction and fulfillment, an affective evaluation of one's life, broadly this includes experiencing high levels of pleasant emotions and/or moods (Diener, Lucas, & Oishi, 2002).

HISTORICAL INFORMATION

n/a

REFERENCES

Benjamin, D. J., Heffetz, O., Kimball, M. S., & Szembrot, N. (2014). Beyond happiness and satisfaction: Toward well-being indices based on stated preference. *American Economic Review*, *104*(9), 2698-2735.

Diener, E., Lucas, R. E., & Oishi, S. (2002). Subjective well-being: The science of happiness and life satisfaction. *Handbook of Positive Psychology*, *2*, 63-73.

RELIABILITY

n/a

Financial Well-Being

Financial Well-Being

Stem: various (see each item below) Response Categories: 0 = Not at all satisfied, 10 = Completely satisfied		**P1**
Variable Name	**Variable Labels**	
WBLIFE	How do you feel about your financial life?	X
WBFEEL	How do you feel about your household financial situation?	X
WBPARTNERFEEL	How do you think your partner(s) feel about your household financial situation?	X
WBTIME	When you consider your past, current, and future financial life, how do you feel?	X

METHOD SECTION SUMMARY PARAGRAPH

For this study we define financial well-being as a state of feeling satisfied. That state of satisfaction is informed by, thus captures, past, current, and future states. Pilot measures for how respondents feel about their financial situation included elements of personal finances and household finances. Respondents were asked on a scale of 0 (not at all satisfied) to 10 (completely satisfied): (a) How do you feel about your financial life, (b) How do you feel about your household financial situation, and (c) How do you think your partner(s) feel about your household financial situation.

SUPPORTING LITERATURE

Financial well-being has been said to be a part of a multi-dimensional framework that includes financial satisfaction, subjective perception, among others, according to (Joo, 2008), a condition in which one evaluates their current and ongoing obligations in regards to their financial future (CFPB, 2017a,b), that cannot be fully captured without reflecting on one's life experience (Diener, 1984).

HISTORICAL INFORMATION

Items were created after reviewing the literature for best practices in measuring subjective feelings.

REFERENCES

Consumer Financial Protection Bureau. (2017a). *Financial well-being in America.* Retrieved from https://files.consumerfinance.gov/f/documents/201709_cfpb_financial-well-being-in-America.pdf.

Consumer Financial Protection Bureau. (2017b). *National financial well-being survey public use file user's guide.* Retrieved from https://files.consumerfinance.gov/f/documents/cfpb_nfwbs-puf-user-guide.pdf

Diener, E. (1984). Subjective well-being. *Psychological Bulletin, 95*(3), 542-575

Joo, S. (2008). Personal financial wellness. In J. J. Xiao (Ed.), *Handbook of consumer finance research* (pp. 21-33). Springer publishing.

RELIABILITY

n/a

Ideal Financial Life

Stem: various (see each item below) Response Categories: 1 = Not at all 2 = Close 3 = Meeting 4 = Exceeding		**P1**
Variable Name	**Variable Labels**	
IDEAL	How close to your ideal financial life are you presently?	X

METHOD SECTION SUMMARY PARAGRAPH

Respondents were asked to indicate how close to their ideal financial life they were presently where 0 = not at all, 1 = close, 2 = meeting, and 3 = exceeding. Finally, respondents were asked to indicate on a scale of 0 (not at all satisfied) to 10 (completely satisfied): When you consider your past, current, and future financial life, how do you feel?

SUPPORTING LITERATURE

"People often have difficulty making decisions that maximize well-being over time, and researchers have explored various reasons for why such poor 'intertemporal' decision-making may arise" (Hershfield, 2019, p. 72), suggesting many have the tendency to only assess their current state and fail to think through the delayed consequences and/or benefits of the behavior. For example, the limited ability to imagine oneself in the future, can lead to opting for immediate gratification (e.g., saving vs. spending). Additionally, psychologists have found that people may have difficulty correctly forecasting the emotions that they will experience in the future (e.g., retirement), leading them to make decisions that seem 'right' in the long run but then often end up falling short of ideal, while others have suggested individual differences in willpower as a contributing factor. Understanding one's discrepancy between their 'real' and 'ideal' state, as well as their assessment of their past, current, and future states is important as many financial decisions involve trade-offs between present and future selves (Hershfield at al., 2018).

HISTORICAL INFORMATION

n/a

REFERENCES

Hershfield, H. E. (2019). The self over time. *Current Opinion in Psychology, 26*, 72-75.

Hershfield, H. E., John, E. M., & Reiff, J. S. (2018). Using vividness interventions to improve financial decision making. *Policy Insights from the Behavioral and Brain Sciences, 5*(2), 209-215. https://doi.org/10.1177/2372732218787536

RELIABILITY

n/a