

What is financial health? What does financial health score card tell you???

Financial health or wellbeing is the extent to which a person or family can smoothly manage their current financial obligations and have confidence in their financial future.

Financial health encompasses four important aspects of people's financial lives- financial security, financial resilience, financial control, and financial freedom, these are also called as financial health outcomes:

- 1) **Financial security** is the ability to meet short-term financial commitments such as basic needs and planned expenses such as food, rent, bills, debt payments, and health care.
- 2) **Financial resilience** is the ability to cope unexpected or adverse events, such as car breakdowns, job loss or sudden health emergencies
- 3) **Financial control** is being confident over one's finances, now and in the future
- 4) **Financial freedom** is the ability to meet long-term financial goals and desires such as children's college education, start a new business, or going on a vacation.

Financial Health Scorecard is deployed as an open-source platform for measuring vital signs of an individual's financial health. The underlying measurement engine is being used for undertaking research across different markets, segments and building data sets for further analysis. The same is offered to institutions as a tool that can register and use to build their own understanding about their customers.

The scorecard is also available for public use as a self-assessment tool by individuals in different geographies and has been set-up dynamically to adjust to your respective geography and apply weightages and ask relevant questions. The aim is to continue improving the weightages and list of indicators building on the analysis which is currently being pursued in partnerships with various stakeholders across markets.

The current focus use-case of this tool is for the financial and other fintech institutions to gather early warning signs about their customers and use the data to design and offer services which are fit for the purpose. The tool also serves as a way to continue tracking the progress of those product interventions for the customers. We are working with partners to deploy a combination of this tool and further data from transactions to better see how interventions drive behaviours or vice-versa.