

# INTRODUCTION

This book examines the concept of financial health and well-being from many perspectives, bringing together the voices of long-time champions of financial capability and newer voices hailing from a variety of sectors, such as public health, criminal justice, and business. What unites them is the shared recognition that we must do more to help all Americans have control over their financial lives and achieve their financial goals. As represented on the book's cover, financial health and well-being is the bridge to a strong financial future, connecting individuals and families to greater opportunity, creating more vibrant communities, and in turn, strengthening the social and economic fabric of our nation.

In the United States, we have traditionally defined financial status by income or wealth, but experts in policy and practice from a range of fields are expanding our focus to better understand what consumers actually want and need in their financial lives. A consensus is emerging that satisfaction with one's financial life has elements that are both objective (income, wealth, cash flow) and subjective (financial freedom, on track to meet financial goals). And as many of the authors in this book make clear, financial health is deeply tied to the availability of opportunity, which too often depends on factors outside an individual's control, such as race, parental socioeconomic status, and macroeconomic climate.

## A NOTE ON TERMINOLOGY

In early 2015, the Consumer Financial Protection Bureau released their initial report on consumer "financial well-being." Their definition, shaped through interviews held with a cross-section of Americans, focuses on financial security and freedom of choice, in the present and the future. Around the same time, the Center for Financial Services Innovation released the findings of its national survey on consumer "financial health," defined as effective management of day-to-day finances, financial resilience and capacity to seize opportunities. In effect, both financial well-being

and financial health capture the same objective and subjective elements. In this book, we use the terms financial health and financial well-being interchangeably. As with any emerging field, we do not know which nomenclature will find the greatest audience, and for which purposes. Both express what this book is about and reflect our expanded notion of what matters to households in their financial lives.

## A ROADMAP FOR THE BOOK

We have organized the book into four sections and hope that the following roadmap provides useful guidance for readers seeking a place to start:

- Section 1, *Where We Are*, is comprised of three essays that set the stage, describing the current state of Americans' financial lives and efforts to improve financial health and well-being.
- Section 2, *Why Financial Well-Being Matters for All*, delves into the many ways that financial well-being influences social outcomes that matter for every American, from public health and education to economic growth and social stability. The essays are full of new information, practical experience, and ideas for changes in policy and practice.
- Section 3, *Who is Being Affected?*, examines financial health through the lens of demography, exploring issues of race and ethnicity, gender, and age. The authors discuss both the historical origins of demographic disparities and ideas for a more equitable future.
- The final section, *What To Do Next*, contains a summary piece bringing the book's themes together, as well as calls to action to philanthropy, the private sector, community and asset development and the research community, ending with a call for all of us to work together to improve the financial lives of all Americans.

As the quote by Isaac Newton on the inside cover of this book states, “We build too many walls and not enough bridges.” We hope that *What It's Worth* contributes to the important national dialogue about economic opportunity and motivates readers to break down the walls of their own silos. We hope you will join us in the search for new partners, new resources, and new ideas that will enable all Americans to secure a strong financial future.