

Action-Oriented Public Health Framework on Financial Wellbeing & Financial Strain

Executive Summary

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Action-Oriented Public Health Framework on Financial Wellbeing and Financial Strain

Introduction

What is this Framework About?

We developed an Action-Oriented Public Health Framework on Financial Wellbeing and Financial Strain to support the design, implementation, and assessment of initiatives led by government and organizations¹ related to people's financial hardships. For definitions of financial wellbeing and financial strain, see *Key Concepts and Definitions*. Informed by social determinants of health frameworks, Health in All Policies (HiAP) principles, and a health equity agenda, our multifocal Framework identifies 17 entry points for practice and policy action to reduce financial strain and support long-term financial wellbeing. The actions we outline represent different levels (e.g., individual, community, and national levels) and areas (e.g., cultural values, financial system, housing).

To support further operationalization of this Framework, we developed a complementary Guidebook of strategies and indicators. The Guidebook presents a set of policy targets, evidence-based strategies, and sample indicators for each one of the 17 entry points.²

While the Framework illustrates the complex system of domains and entry points for action, the Guidebook offers specific information on where to act (i.e., targets), what to do (i.e., strategies related to targets), and how to assess progress and performance (i.e., indicators that can be used to assess the progress or success of strategies).

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1. Policies, programs, services, and practices are all here referred as initiatives.
 2. For more information on the Guidebook, refer to: Centre for Healthy Communities (CHC), Centre for Health Equity Training, Research and Evaluation (CHETRE). Guidebook of Strategies and Indicators for Action on Financial Wellbeing and Financial Strain - Executive Summary [Internet]. Edmonton (Canada): Centre for Healthy Communities; 2022. 71 p. DOI : 10.53714/giok6749

Key Concepts and Definitions

Financial Wellbeing

Is “when a person is able to meet expenses and has some money left over, is in control of their finances, and feels financially secure, now and in the future” (p.1596).³ Based on this definition, financial wellbeing has both objective and subjective components.

- Objective: includes measures of income and ownership of assets. It involves being able to meet regular expenses, having a buffer to cover unexpected events, and having money left over for discretionary spending.
- Subjective: includes perceived levels of control over finances and feelings of financial security (i.e., worry or satisfaction with financial circumstances) in the present and future.

Financial Strain

Refers to anxiety or worry about not being able to cope financially in the present.⁴ The term *financial strain* can be used interchangeably with *financial stress* or *financial distress*. It is subjective and reflects how a person feels about their current financial situation.

- Financial strain differs from poverty, indebtedness, and income, which categorize people based on quantifiable measures. For example, a person may be under financial pressure according to their income levels and yet feel like they are coping well, thus not experiencing financial strain.
- In this way, financial strain is not the opposite of financial wellbeing; rather, it is the perception of *relative* financial wellbeing in the present. Therefore, addressing financial strain is an essential part of strategies for improving financial wellbeing.

3. Salignac, F., Hamilton, M., Noone, J., Marjolin, A., & Muir, K. (2020). Conceptualizing Financial Wellbeing: An Ecological Life-Course Approach. *Journal of Happiness*, 21, 1581–1602. <https://doi.org/10.1007/s10902-019-00145-3>

4. French, D., & Vigne, S. (2019). The causes and consequences of household financial strain: A systematic review. *International Review of Financial Analysis*, 62, 150–156. <https://doi.org/10.1016/j.irfa.2018.09.008>

Power⁵⁻⁶

- Power refers to the ability to either keep the present circumstances (*status quo*) or change the course of an event(s).
- Power is a driving (visible, hidden, or invisible) force behind decision-making processes.
- Power operates at every level of human relationships, be it the household, community/neighbourhood, organization, or government.

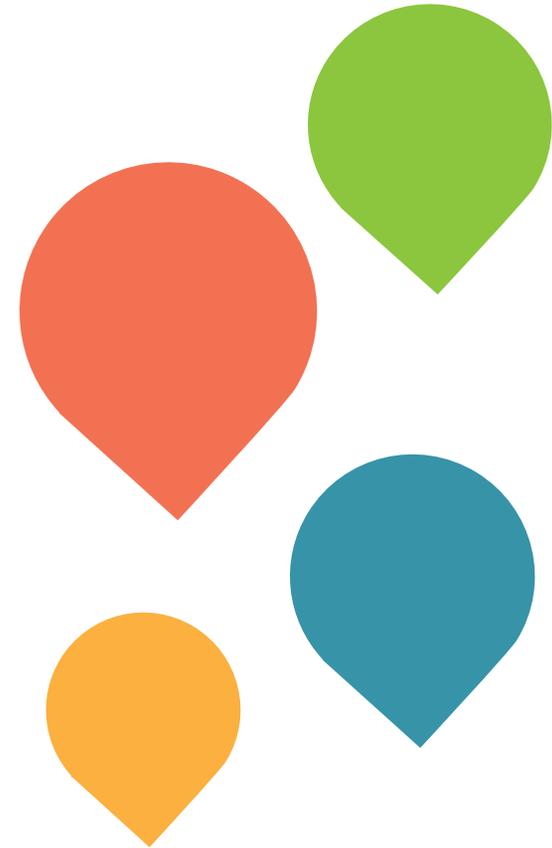
Power can be used for either negative or positive action:

Negative (domination, oppression, or coercion)

- **power over** individuals and population groups.

Positive (individual or collective action (agency) leading to empowerment, emancipation, and transformation)

- **power to** act in any sense, including to reconfigure social hierarchies.
- **power with** others (i.e., shared power for mutual support and cooperation).
- **power within** an individual and society (i.e., individual or collective sense of self-worth, value, and dignity that comes from gaining consciousness of one's capacity to act).



5. Harris, P., Baum, F., Friel, S., Mackean, T., Schram, A., & Townsend, B. (2020). A glossary of theories for understanding power and policy for health equity. *J Epidemiol Community Health*, 74(6), 548-552. doi: 10.1136/jech-2019-213692

6. Solar, O., & Irwin, A. (2010) A conceptual framework for action on the social determinants of health. Social determinants of health discussion paper 2 (Policy and Practice). World Health Organization.

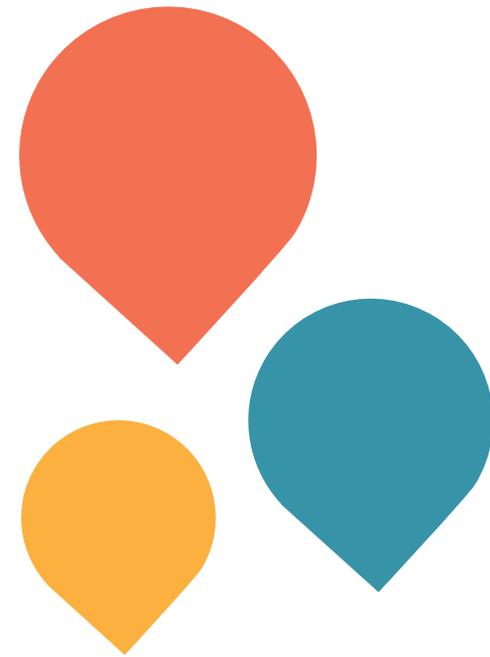
Purpose

What is the Framework For?

This evidence-based framework aims to:

- Present priority domains and entry points for action that are more likely to have positive long-lasting effects on people's financial circumstances.
- Support selection of (i) targeted high impact areas for intervention as well as (ii) overall synergistic actions based on the respective core mandates and portfolio boundaries of the organizations or governments involved.
- When combined with a systems-oriented approach, assist with identification of weaknesses, constraints, or the occurrence of unintended negative effects of financial strain or financial wellbeing initiatives.
- Ensure operationalization of an equity approach as an integral part of financial strain or financial wellbeing initiatives in order to effectively address the unique needs of different groups of people.
- Help situate existing initiatives within the broader landscape of multi-sectoral actions on financial wellbeing and financial strain, showing how the actions taken by an organization or sector relate to others in a whole-of-society perspective.
- Prompt opportunities for joint action across governments, public and private sectors, not-for-profit organizations, and communities for an optimal, integrated response to financial strain and poor financial wellbeing.

Contribute to a better understanding of the political, socioeconomic, and cultural causes and consequences of financial wellbeing and financial strain and their dynamic interrelationships at the community and population levels.



Background

Why Was this Framework Developed?

Why a Framework on Financial Wellbeing and Financial Strain?

Deterioration of social safety nets (or welfare systems) and increased rates of impoverishment and under- and unemployment have been observed worldwide over several decades. Since the COVID-19 pandemic hit, these trends have accelerated. Economic recession and financial collapse associated with the pandemic have led to a substantial loss of employment and income in countries around the world.

Although concentrated among disadvantaged groups (e.g., racialized peoples), the financial fallout of the pandemic has been felt across the socioeconomic spectrum. A growing number of people are unable to make ends meet and have had to make difficult decisions about essential expenses or step back from their life goals. People are experiencing higher levels of financial strain and reduced financial wellbeing. If these trends persist, there are significant risks to individuals, communities, and economies.

Financial strain and poor financial wellbeing have significant negative impacts on physical, mental, and social health and overall wellbeing. Research has shown that adults and families with children who experience financial strain are at great risk of food insecurity, cardiovascular diseases, family conflict, depression, disengagement from social life, anxiety, and low sense of self-identity, to name a few. The result is widening of socioeconomic and health inequalities.

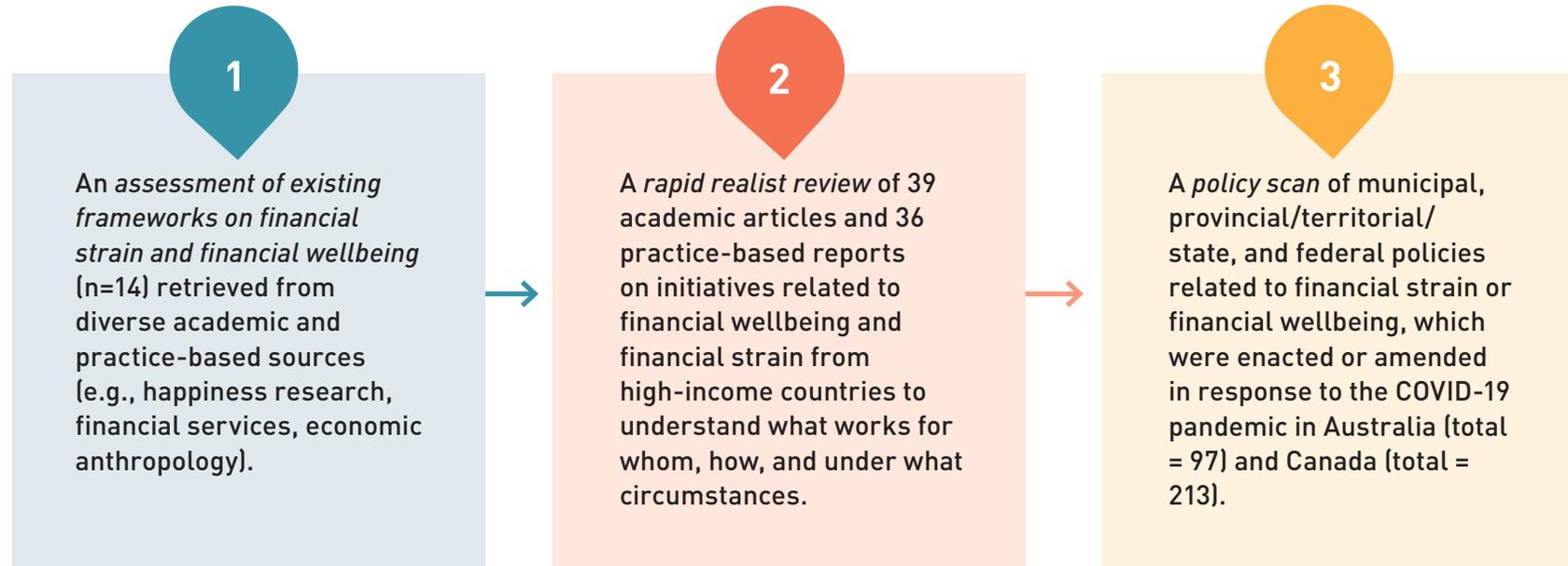
To break this vicious cycle and close these socioeconomic and health gaps, it is critical to develop effective, innovative plans of action that will prevent and reduce the negative consequences of financial strain and promote financial wellbeing. With that in mind, we developed an Action-Oriented Public Health Framework that provides government and organizations with guidance on the design, delivery, and assessment of initiatives that are related to financial strain and financial wellbeing.



Methodology

How Was this Framework Developed?

We developed the Framework using a multi-step process comprising a review and synthesis of empirical and theoretical evidence and critical feedback from a panel of experts from varied sectors in Canada and Australia. The evidence review involved:



The critical analysis of these resources revealed potential elements for consideration as part of the Action-Oriented Public Health Framework on Financial Wellbeing and Financial Strain. We then applied social determinants of health, health equity, and HiAP lenses to develop, refine, and organize the draft Framework.

The next step involved the validation of the Framework with a diverse body of policy, academic, and technical experts through a Practice Advisory Committee representing diverse knowledge and extensive practice expertise. Through an Integrated Knowledge Translation approach, the research team (two principal investigators, six co-investigators, and six highly qualified research staff in Canada and Australia) alongside 16 members of a Practice Advisory Committee in Canada and six stakeholders in Australia completed online questionnaires, attended workshops, and/or participated in group meetings or one-to-one conversations to provide feedback on the draft Framework. *Figure 1* presents a breakdown of experts from different sectors. Their suggestions were incorporated into the Framework.

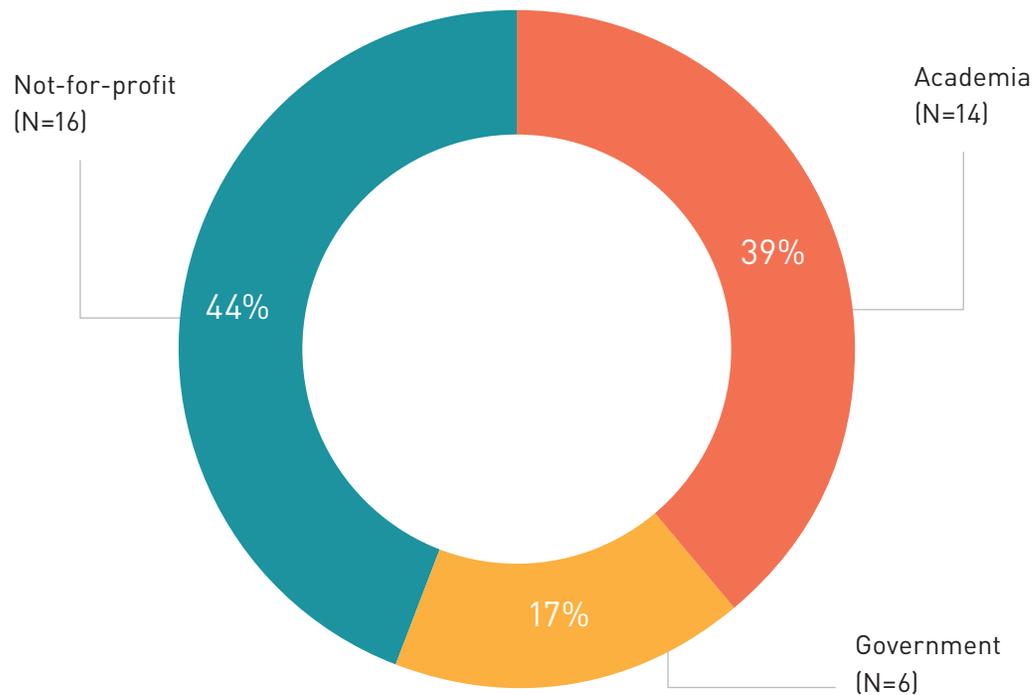


FIGURE 1. Participants from government (all levels), not-for-profit organizations, and academia.

Interpretation

What Do the Components of the Framework Mean?

Financial wellbeing promotion and financial strain reduction are at the core of the Framework (*Figure 2*), representing the goal and outcome of related initiatives led by government or organizations. The Framework presents five *domains* of initiatives that indicate *where to act*: Government (All Levels), Organizational & Political Culture, Socioeconomic & Political Context, Social & Cultural Circumstances, and Life Circumstances.

There are key *entry points for action* linked to each domain. The entry points describe *what to do* in each domain. For example, initiatives targeting the Life Circumstances domain should ensure their activities ‘Develop around People’s Everyday Realities’ and/or ‘Consider Diverse Household Financial Circumstances’. In total, there are 17 entry points in the Framework. All domains and respective entry points are meant for both governments and organizations, with the exception of the Government (All Levels) domain, which is meant for municipal, provincial/territorial/state governments (see *Definitions of Domains & Entry Points for Action*).

The coloured lines around the centre represent the systemic interconnections between the five domains. They illustrate how an action in one domain may have an unintended positive or negative impact on aspects of another domain, and represent the ideal of how diverse initiatives can work together towards a same shared goal.





FIGURE 2.
Action-Oriented Public Health Framework
on Financial Wellbeing and Financial Strain

Definitions of Domains & Entry Points for Action



Government (All Levels)

This domain targets structural actions that can be taken by governments through the governing systems of public and private sectors. It refers to macroeconomic, public, and social policies as well as underlying power structures.

ENTRY POINTS FOR ACTION	
Improve Regulation, Oversight, and Funding of Macro-Economic Systems and Policies	Increase effectiveness and impact of government regulation and oversight of financial sector, housing market, and employment and labour market. Ensure adequacy of funds for sustainable actions.
Expand Provision, Regulation, and Funding to Care, Education, and Transportation Services	Ensure governments oversee, regulate, and provide guaranteed level of adequate funding to quality essential care (e.g., childcare, health care), education, and transportation services.
Prioritize Redistribution-Based & Universal-Type Policies	Build and improve equity-based policies that redistribute wealth or span the socioeconomic spectrum. Such policies (e.g., progressive taxation, universal basic income, and raising minimum retirement pension) disproportionately benefit people who experience disadvantage.
Provide Sustainable Funding to Programs and Services	Ensure continued and appropriate amount of public financial assistance to support operations and service delivery infrastructure of organizations and governments, targeting areas that directly or indirectly impact people's financial circumstances.



Organizational & Political Culture

This domain targets those processes that affect the delivery and sustainability of government, organizational, and community actions. It involves consideration of organizational culture and power dynamics.

ENTRY POINTS FOR ACTION	
Simplify Access to Benefits & Services	Remove barriers and bureaucratic 'red tape' that limit people's access to benefits, programs, and services, including communication barriers (e.g., low literacy levels), strict contingencies (e.g., work-for-welfare), restrictive eligibility criteria, and onerous assessments (e.g., to qualify for disability benefits).
Budget for Wellbeing	Create budgets that prioritize long-term human wellbeing over financial outcomes alone (e.g., balancing budgets through austerity measures that negatively impact health and overall wellbeing).
Assess and Measure Long-Term Impacts	Use measures of human wellbeing to understand the long-term impacts of policies, programs, and services (e.g., social impact). Take a long-term approach to evaluation (e.g., cost-benefit analysis).



Socioeconomic & Political Context

This domain targets social and political actions. It encompasses changes to the political and community landscape that, together, shape the availability of resources, opportunities for poverty reduction, possibilities for growth of the middle-class, and improvements in the distribution of power at the societal level.

ENTRY POINTS FOR ACTION	
Expand Access to Financial Services & Products	<p>Increase access to mainstream and alternative financial services and products that are inclusive, culturally appropriate, affordable (e.g., low-fee or no-fee), flexible in terms of contracts and transactions, and responsive to people’s needs and circumstances.</p> <p>Facilitate access to information about mainstream and alternative financial services and products.</p>
Strengthen Employment Security (Income and Benefits)	<p>Improve access to stable, well-paid, and regulated jobs with employee benefits programs for all workers.</p>
Enhance Quality Education	<p>Facilitate access to education and training to improve people’s long-term income prospects.</p>
Improve Housing Security	<p>Strengthen affordable housing policies, including high quality options for public housing.</p> <p>Increase access to diverse affordable and supportive housing options in order to provide people with dignified choices that fit their needs.</p>
Promote Neighbourhood-Level Advantage	<p>Increase neighbourhood-level access and opportunities for education, employment, safety, and security (e.g., addressing high exposure to the criminal justice system or providing meaningful supports for poorly funded public amenities).</p> <p>Target family, community, and neighbourhood through multi-level initiatives to improve local services and supports.</p>



Social & Cultural Circumstances

This domain is about political, community, organizational, and individual actions that shape or recognize social and cultural contexts, hierarchies of power, and people’s social backgrounds and identities (e.g., immigration status, gender, sexual orientation, race/ethnicity) that accumulate to impact their financial circumstances.

ENTRY POINTS FOR ACTION	
<p>Include Cultural Values of Financial Practices & Ways of Living</p>	<p>Recognize and respect the complexity and diversity of cultural values attributed to financial resources (e.g., money, goods) and financial transactions.</p> <p>Build initiatives that recognize the symbolic and economic values of different ways of being and doing (e.g., pay for informal caregiving).</p>
<p>Address Stigma & Discrimination (e.g., systemic racism and ableism)</p>	<p>Build initiatives to explicitly reduce stigma and discrimination of groups who experience cumulative disadvantage across the lifespan (e.g., racialized people) and intersecting challenges (e.g., Indigenous woman experiencing disability) in financial services, job markets, and school or workplaces.</p> <p>Address financial abuse and barriers to both financial independence and intergenerational wealth-building that disadvantaged groups have systematically experienced.</p>
<p>Foster Connection & Belonging</p>	<p>Enhance community capacity, empowerment, and connections through community-led or participatory approaches promoting social capital and social cohesion.</p>



Life Circumstances

This domain targets political, community, organizational, and individual actions that impact people’s complex life circumstances, multiple roles, and power relationships (e.g., individual agency and power within a household) that come together – positively or negatively – to shape their financial situation.

ENTRY POINTS FOR ACTION	
<p>Develop around People’s Everyday Realities</p>	<p>Remove barriers to enrolment and participation in financial strain and financial wellbeing related initiatives (e.g., access to childcare, transportation costs).</p> <p>Ensure the timing and content of the initiatives are tailored to the target populations. Consider people’s values, life stages, life demands, and daily roles and responsibilities.</p>
<p>Consider Diverse Household Financial Circumstances</p>	<p>Create initiatives that are appropriate to people’s current financial circumstances, particularly for people experiencing poverty and facing unmet basic needs (e.g., food insecurity, energy insecurity, housing insecurity).</p> <p>Set realistic, achievable goals (e.g., building savings only after basic needs are addressed).</p>

Utilization

How to Use the Framework?

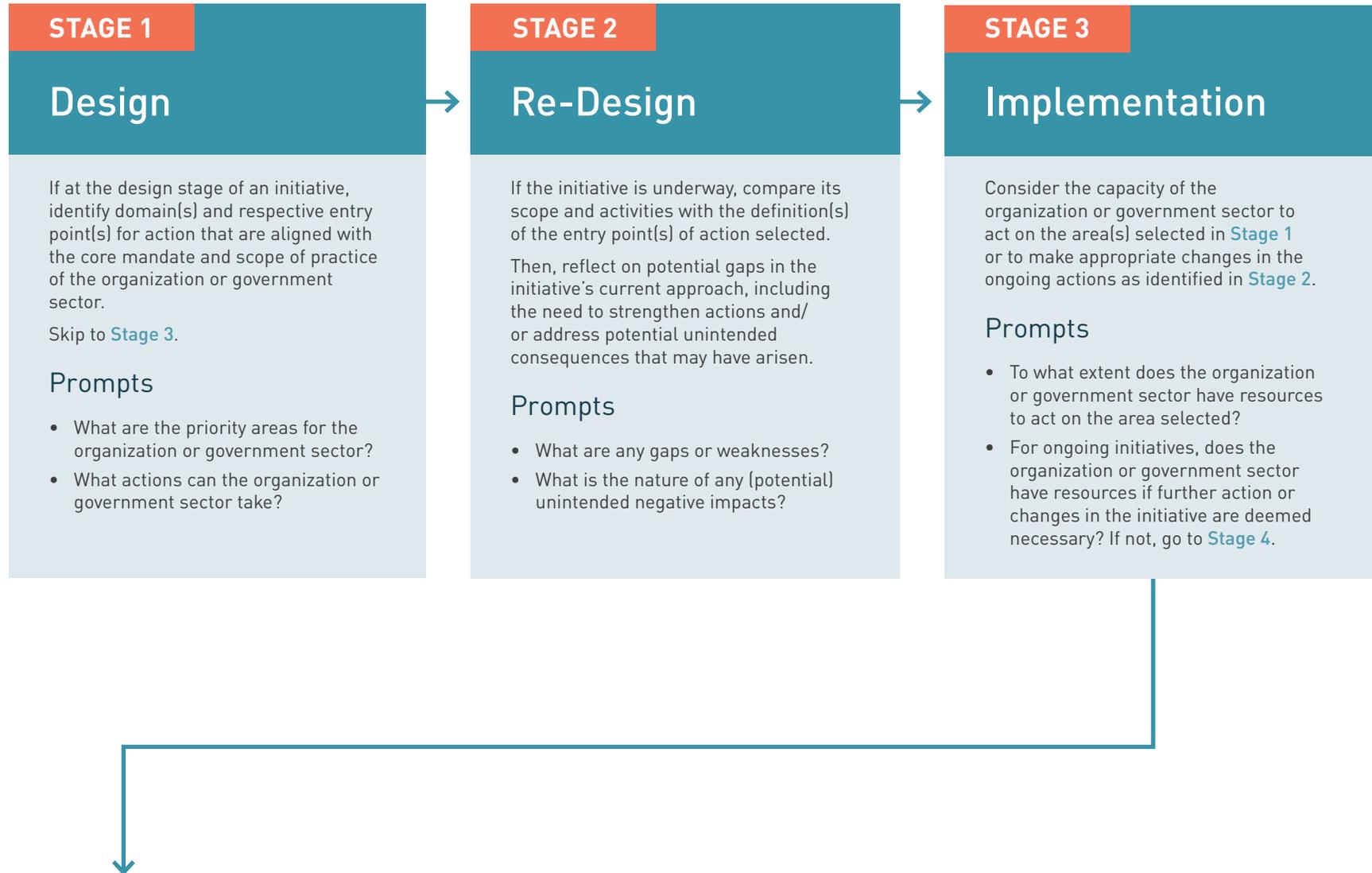
- This Framework is not prescriptive. Instead, it can facilitate both a targeted and integrated approach to financial wellbeing and financial strain initiatives.
- By highlighting priority areas, the Framework may support decision-makers and stakeholders to define what needs to be done, and with whom, to address financial wellbeing and financial strain.
- This holistic Framework presents multiple high impact areas for intervention on financial wellbeing and financial strain to support the work of a variety of organizations (e.g., research centres, Indigenous services, trade unions, public health, among others) and governments at all levels.
- Organizations and governments are invited to use the Framework at any stage of their programs, services, or policies – from design/development to implementation to assessment/evaluation – and for a range of purposes – decision or policy-making, advocacy, or research.
- Organizations and governments are not expected to act on each one of the domains and entry points illustrated in the Framework. Instead, they can select those Framework components that align with their organizational mandates and are within their scope of practice, tailoring those components to their contexts as needed.
- Because the Framework covers the range of key domains and entry points for action within the complex system of influence on financial strain and financial wellbeing, its use is flexible and adaptable to different scenarios, mandates, and contexts.

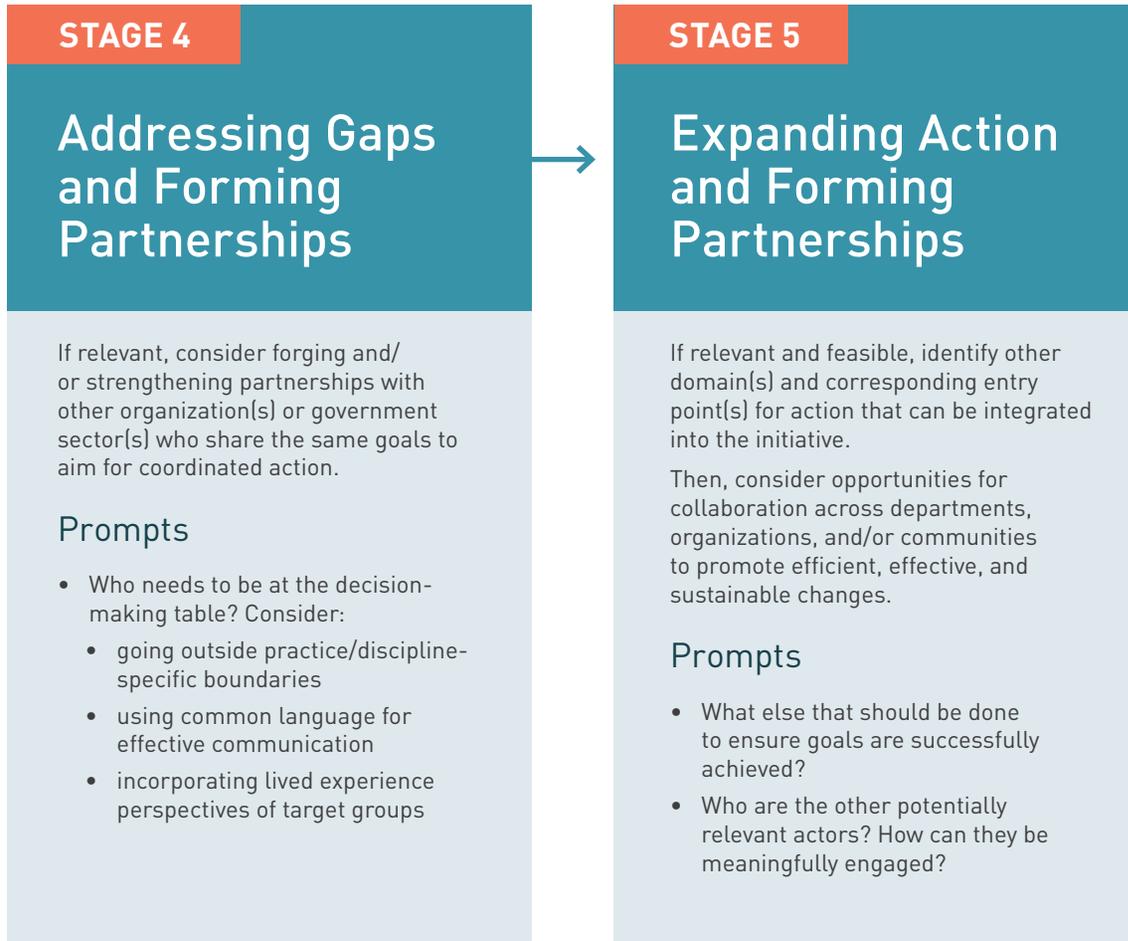
The Framework is meant to encourage reflection and debate about strategic opportunities for current or planned initiatives to generate long-lasting positive effects across the socioeconomic spectrum, particularly among the most disadvantaged groups.



Initiative Stages

As a starting point for effective use of the Framework, we suggest the following stages:





Target Audiences

Who Should Use the Framework?

Considering the full spectrum of actions related to financial strain and financial wellbeing, we developed this evidence-based Framework with a wide range of users in mind. Except for the domain Government (All Levels), which is specific to government sectors, all the other domains are applicable to private, community, and not-for-profit organizations as well as municipal, provincial/territorial/state, and federal governments working on areas that directly or indirectly impact financial strain or financial wellbeing, through initiatives like financial coaching services, workplace policies against discrimination, and childcare supports. Researchers can use this Framework as an analytical and organizing model for exploring the interrelationships of factors influencing financial strain and financial wellbeing and their relative impacts on living conditions, health, and overall wellbeing.

Relevance

Why Use this Framework?

How is it Relevant to Your Organization?

This Framework is relevant to organizations and governments concerned with financial wellbeing and financial strain and/or their effects on health and overall wellbeing. It situates financial wellbeing and financial strain within the broader social context, where life circumstances, cultural values, socioeconomic and political factors, organizational culture, and governmental agendas all influence people's opportunities and capabilities to achieve financial wellbeing. As such, it expands the entry points for action beyond the provision of financial services and information to considering system influences on financial wellbeing.

The Framework outlines actions that can be taken in public and private sectors, across levels of government, and within diverse communities. Because the Framework directs equitable action, the entry points for action recommended here are relevant to individuals and families from different social backgrounds. The Framework can help organizations and governments to improve possibilities for financial wellbeing across the socioeconomic spectrum, but can particularly support actions that address the unique needs of disadvantaged groups.

Future Work

What's Next?

The current version of the Framework represents our efforts to balance comprehensiveness with simplicity in a way that captures the complex system of influence around financial strain and financial wellbeing without being overwhelming.

We continue to engage stakeholders and welcome feedback from the community to ensure that the Framework is relevant and meaningful to governments and organizations acting on financial strain reduction and financial wellbeing promotion.



