To understand the implications of finance on health benefits of financial security to health

Introduction

The dynamic relationship of one’s financial and economic resources as they are applied to or impact the state of physical, mental and social well-being. In the traditional sense of the term, Investopedia defines Financial Health as: “A term used to describe the state of one’s personal financial situation. There are many dimensions to financial health, including the amount of savings you have, how much you are setting away for retirement and how much of your income you are spending on fixed or non-discretionary expenses.”

Focus on financial health

Health and finances are dynamic, always changing, in flux, up and down. Your personal financial situation can be unhealthy and the result of that can lead to problems in other areas of your life. Your personal health can be poor and that can lead to significant financial issues. So we want to help people focus on “Financial Health” and examine more closely how a person, family or organization uses their finances and economic resources and ultimately how their decisions, behaviors, routines and habits impact their overall well-being. “Your debt may cost you more than just interest. Research shows there’s a clear link between your financial health and your mental health and your debt may serve as a tangible representation of your psychological state.” Amy Morin, Psychotherapist, Forbes.

Method used to review

It states that a personal comfort of the person with his own finances determines The Financial Health of that individual; hence the outcome is very much individual and personal. It is determined by parameters like the goals set by the individual, the financial plan/strategy used and his risk appetite.1

Why financial health is defined as “The dynamic relationship of one’s financial and economic resources as they are applied to or impact the state of physical, mental and social well-being.”? "The World Health Organization, on the other hand, defines “Health” as: “A state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.” While in this definition, a person’s financial situation is, at best, implied, the World Health Organization does further elaborate on this concept in their explanation of Health Promotion. Health Promotion is described as: “The process of enabling people to increase control over, and to improve, their health. To reach a state of complete physical, mental and social well-being (their definition of health), an individual or group must be able to identify and to realize aspirations, to satisfy needs, and to change or cope with the environment. Health is, therefore, seen as a resource for everyday life, not the objective of living. Health is a positive concept emphasizing social and personal resources, as well as physical capacities. Therefore, health promotion is not just the responsibility of the health sector, but goes beyond healthy life-styles to well-being.”

The Health Factor is in direct proportion to the comfort with money, the Finance factor, in terms of simple mathematics. Any discomfort in finance leads to increase in existing stress levels which has a some impact on health; initially it becomes a challenge. When sustained for longer durations the impact is usually negative with proportion to the deficits and the affordability of the individuals. Further, we have several resources for good health like good food (balanced diet), comfortable home, exercise etc. For everyday life we need a livelihood resource, a means of commuting e.g. car or bike, a good social network and several other things. One such thing included is good health which facilitates to maintain and /or achieve this. These factors are interdependent and resource of health (the health factor) can depreciate (have negative impact) if there is depreciation in food, clothing housing or any such resource. Hence, good health is resource to life and lifestyle. An objective is a goal set to achieve eg clearing an exam or buying an asset like car. Health is something we use to lead our day to day life, which enables us to achieve these objectives. When we understand Health promotion as stated above “to identify and to realize aspirations, to satisfy needs, and to change or cope with the environment”. We realize an ability to acquire usually involves a cost. If the person can afford it easily, he is more comfortable than when he has to make arrangement for money. Here, the quotient comes in and that quotient is called “the capacity”, the capacity or capability to withstand and sustain the deficit. It is also affected by the capacity of the individual to resolve the deficit. A good health enables us to generate this capacity, which acts as a precious resource towards life. Therefore, we understand that there is a direct relationship of health and comfort with finance or the health factor and the finance factor.2

Looking up further at the health promotion “health promotion is not just the responsibility of the health sector, but goes beyond healthy life-styles to well-being” we are able to adjudge on our decision to thrive to be fit. The health sector is a segment of governance or financial investment or utilization which help us stay well; it maybe by making establishments like hospitals, clinics or town planning, facility creations etc or setting up companies or factories that make medicines, testing machines etc and finally we use them e.g. we approach a clinic for treatment or we move out to park for jogging. Hence, a healthy lifestyle definitely enable us to stay fit but there are sometimes challenges to health when we fall ill e.g. common cold or cough. At that time we need to approach the health sector for treatment and restore the good health. We need to bear a cost which is in addition to the ongoing cost of living. Here, say there is burden of sudden hospitalization, and the person holds medical insurance, it sheds the burden of the cost of hospitalization (accordin
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a home or car. If the EMI is a nominal amount or earnings it boosts
the confidence by shedding the burden but if the EMI is significant
and takes more than 25% of earnings the outcome is usually a mental
strain as reflected in studies. Most of such outcomes are calculated
by several finance companies by a method called “risk profiling”. When
planning for retirement (PRP, Principal India) they strategically
decide the allocation to Equity, Mutual Funds, Insurance and Assets.
A young healthy adult with good risk appetite is usually encouraged
to invest in Equities.

Future scope
Most of the financial dealings are age old and continuously
developing. After insurance and capital markets, now people are
looking up to take planned decisions towards allocation of money. The
concepts spreading to the globe as Retirement planning, real estate
planning or capital investment allocation in recommended shares or
mutual funds or commodities or business. The area is booming and I
enjoyed my journey to this exquisite revelations and hope to stay in
the lap of luxury and pray the same for you.

Conclusion
There is significant influence of finance on health in different
perspectives of human wellbeing: be it social, mental or body fitness.
Several areas of the persons finance influence the health, which include
the income, investments and the “net worth” of that individual. 

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Conflict of interest
The author declares there is no conflict of interest.

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