

Financial Self-Assessment and Households' Well-Being in an Emerging Market

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Abstract

This study investigates the financial self-assessment and households' well-being using a national survey of 2,567 households in Turkey. We use households' views on their ability to meet current living expenses in the short-term as well as their assessment for the retirement in the long-term. We also investigate how the sources of income are related to the financial well-being. Findings show that households' daily concerns including the inability to meet short-term expenses including health care, daily living expenses (food and utilities), and the inability to maintain the existing living standard are highly significant factors in explaining their financial well-being. We also find that having enough income during the retirement and ability to find a job in the future when needed are positively related to financial well-being. Finally, when households' income is from work, rental properties, family, and pension, they feel financially more secure.

Keywords: Financial well-being and assessment, emerging market, Turkey

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