



Personal Finance Employee Education Foundation
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Personal Financial Wellness Scale™ (PFW™)

The *Personal Financial Wellness Scale™* (PFW™) (formerly known as the *InCharge Financial Distress/Financial Well-Being Scale*) is an 8-item, self-report measure of perceived financial distress/financial well-being. The instrument measures the level of stress and well-being emanating from one's personal financial condition on a continuum extending from negative to positive feelings about and reactions to one's financial situation. The tool is an efficient, valid, and reliable measure of personal financial wellness. For details about the development of the instrument and to cite it in research reports, please see Prawitz, A. D., Garman, E. T., Sorhaindo, B., Kim, J., O'Neill, B., & Drentea, P. (2006). *InCharge Financial Distress/Financial Well-Being Scale: Development, Administration, and Score Interpretation*, *Financial Counseling and Planning*, 17(1): 34-50, available at www.PersonalFinanceFoundation.org and www.afcpe.org.

Scale Use Policies

1. **The permission form is designed for one-time research requests which will be granted on a case-by-case basis. In all cases the use granted will only be for the specific research project and data collection explained in the permission form. For a second research use and in other capacities, contact PFEF at info@pfeef.org.**
2. The user must receive written permission to use the PFW scale **before** the instrument is used.
3. Users must agree to utilize all eight items in the PFW scale along with the approved standard scaling format and anchor terms, unless specific permission is given to do otherwise. (See *Instructions for Administration and Scoring* in this document.
4. A fee, primarily to cover processing and the costs of tracking the findings, may be charged for usage, particularly in research studies. The fee depends upon the non-profit or for-profit status of the organization, the planned use, the research, and sources of funding.
5. Approval for usage may be obtained from PFEF at www.PersonalFinanceFoundation.org.

Instructions for Administration and Scoring

The PFW™ scale is intended to be used for measuring perceived financial distress/financial well-being, with scores computed to measure the construct. Validity and reliability have been established for all 8 items used together and reported as a score, but not for individual items used separately. Additions, deletions, reordering of the scale items, or any other changes to the PFW™ scale may affect the validity and reliability of the instrument.

To calculate scores for the PFW™ scale, sum the number of points for responses to each of the 8 items, then divide the total by 8. Individual scores can range from 1.0 (1 point for each item) to 10.0 (10 points for each item). For example, if an individual scored a total of 28 on the summation of all points for the 8 items, that individual's score on the scale would be $28/8 = 3.5$. Scores should not be rounded.

Descriptive terminology to interpret specific scores on the 10-point PFW scale appears below.

PFW™ Score	Descriptive Terminology
1.0-1.4	Overwhelming financial distress/lowest financial well-being
1.5-2.4	Extremely high financial distress/extremely low financial well-being
2.5-3.4	Very high financial distress/very poor financial well-being
3.5-4.4	High financial distress/poor financial well-being
4.5-5.4	Average financial distress/average financial well-being
5.5-6.4	Moderate financial distress/moderate financial well-being
6.5-7.4	Low financial distress/good financial well-being
7.5-8.4	Very low financial distress/very good financial well-being
8.5-9.4	Extremely low financial distress/extremely high financial well-being
9.5-10.0	No financial distress/highest financial well-being

National Norms

National norming studies for PFW scores have been conducted using nationally representative samples of adults in the United States. Norms are reported in the Prawitz et al. (2006) article listed above.