PUBLIC GOVERNANCE AND MUNICIPAL FINANCIAL HEALTH: AN INTEGRATED ANALYSIS WITH A FOCUS ON FINANCIAL PSYCHOLOGY AND TAX EDUCATION

GOVERNANÇA PÚBLICA E SAÚDE FINANCEIRA MUNICIPAL: UMA ANÁLISE INTEGRADA COM ENFOQUE EM PSICOLOGIA FINANCEIRA E EDUCAÇÃO FISCAL

GOBERNANZA PÚBLICA Y SALUD FINANCIERA MUNICIPAL: UN ANÁLISIS INTEGRADO CON ENFOQUE EN PSICOLOGÍA FINANCIERA Y EDUCACIÓN TRIBUTARIA

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ABSTRACT

Objective: This study investigates the relationship between the effectiveness of municipal public management and the financial health of the population, considering levels of default, poverty, and social vulnerability in municipalities in the State of São Paulo. The article proposes a novel multidimensional model that integrates public governance, financial education, financial psychology, and behavioral science as determinants of collective financial well-being. Methodology: The research adopts a quantitative, exploratory, and explanatory approach. Only secondary data were used, extracted from official sources such as IBGE, IPEA, UNDP, Serasa Experian, and the Court of Auditors of the State of São Paulo (TCE-SP), covering the period from 2022 to 2024. Statistical analyses involved Pearson correlation techniques, multiple regression, and cluster analysis (K-means), allowing for the evaluation of the impact of the IEG-M dimensions (Planning, Fiscal, Education, Health, Environment, and Protected Cities) on default and social vulnerability indicators. Gap: Brazilian literature presents a deficit of empirical studies that explore, in an integrated way, the effects of local public governance on collective financial behavior and socioeconomic well-being. Few studies combine concepts from financial psychology, behavioral science, and municipal public management in the analysis of indebtedness and the financial health of the population. Results and Contributions: The results show that municipalities with better performance in planning (i-Plan), education (i-Educ), and fiscal management (i-Fiscal) have lower rates of default and social vulnerability. Multiple regression confirmed that these dimensions are significant predictors of municipal financial health. Cluster analysis classified the municipalities into three distinct groups, with different profiles of effectiveness and vulnerability. The study proposes an Integrated Multidimensional Model that articulates: (i) the quality of municipal governance; (ii) the local socioeconomic context; (iii) financial

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education and financial psychology interventions based on behavioral science; and (iv) the results in financial health and well-being of the population. This model expands the theoretical boundaries between public finance, economic psychology, and social policies.

Keywords: Financial Psychology. Public Management. Financial Health.

RESUMO
Objetivo: Este estudo investiga a relação entre a efetividade da gestão pública municipal e a saúde financeira da população, considerando os níveis de inadimplência, pobreza e vulnerabilidade social nos municípios do Estado de São Paulo. O artigo propõe um modelo multidimensional inédito que integra governança pública, educação financeira, psicologia financeira e ciência comportamental como fatores determinantes do bem-estar financeiro coletivo. Metodologia: A pesquisa adota abordagem quantitativa, exploratória e explicativa. Foram utilizados exclusivamente dados secundários, extraídos de fontes oficiais como IBGE, IPEA, PNUD, Serasa Experian e Tribunal de Contas do Estado de São Paulo (TCE-SP), abrangendo o período de 2022 a 2024. As análises estatísticas envolveram técnicas de correlação de Pearson, regressão múltipla e análise de cluster (K-means), permitindo avaliar o impacto das dimensões do IEG-M (Planejamento, Fiscal, Educação, Saúde, Meio Ambiente e Cidades Protegidas) sobre os indicadores de inadimplência e vulnerabilidade social. Lacuna: A literatura brasileira apresenta um déficit de estudos empíricos que explorem, de forma integrada, os efeitos da governança pública local sobre o comportamento financeiro coletivo e o bem-estar socioeconômico. Poucas pesquisas combinam conceitos de psicologia financeira, ciência comportamental e gestão pública municipal na análise do endividamento e da saúde financeira da população. Resultados e Contribuições: Os resultados evidenciam que os municípios com melhor desempenho em planejamento (i-Plan), educação (i-Educ) e gestão fiscal (i-Fiscal) apresentam menores taxas de inadimplência e vulnerabilidade social. A regressão múltipla confirmou que essas dimensões são preditores significativos da saúde financeira municipal. A análise de cluster classificou os municípios em três grupos distintos, com diferentes perfis de efetividade e vulnerabilidade. O estudo propõe um Modelo Multidimensional Integrado, que articula: (i) a qualidade da governança municipal; (ii) o contexto socioeconômico local; (iii) intervenções de educação financeira e psicologia financeira com base na ciência comportamental; e (iv) os resultados em saúde financeira e bem-estar da população. Este modelo amplia as fronteiras teóricas entre finanças públicas, psicologia econômica e políticas sociais.

Palavras-chave: Psicologia Financeira. Gestão Pública. Saúde Financeira.

RESUMEN
Objetivo: Este estudio investiga la relación entre la efectividad de la gestión pública municipal y la salud financiera de la población, considerando los niveles de morosidad, pobreza y vulnerabilidad social en municípios del Estado de São Paulo. El artículo propone un novedoso modelo multidimensional que integra la gobernanza pública, la educación financiera, la psicología financiera y las ciencias del comportamiento como determinantes del bienestar financiero colectivo. Metodología: La investigación adopta un enfoque cuantitativo, exploratorio y explicativo. Solo se utilizaron datos secundarios, extraídos de fuentes oficiales como IBGE, IPEA, PNUD, Serasa Experian y el Tribunal de Cuentas del Estado de São Paulo (TCE-SP), que abarcan el período de 2022 a 2024. Los análisis estadísticos incluyeron técnicas de correlación de Pearson, regresión múltiple y análisis de conglomerados (K-means), lo que permitió evaluar el impacto de las dimensiones del IEG-M (Planificación, Fiscal, Educación, Salud, Medio Ambiente y Ciudades Protegidas) en los indicadores de morosidad y vulnerabilidad social. Brecha: La literatura brasileña presenta un déficit de estudios empíricos que exploren, de forma integrada, los efectos de la gobernanza pública local en el comportamiento financiero colectivo y el bienestar socioeconómico. Pocos

estudios combinan conceptos de psicología financiera, ciencias del comportamiento y gestión pública municipal en el análisis del endeudamiento y la salud financiera de la población. Resultados y contribuciones: Los resultados muestran que los municipios con mejor desempeño en planificación (i-Plan), educación (i-Educ) y gestión fiscal (i-Fiscal) presentan menores tasas de morosidad y vulnerabilidad social. La regresión múltiple confirmó que estas dimensiones son predictores significativos de la salud financiera municipal. El análisis de conglomerados clasificó a los municipios en tres grupos distintos, con diferentes perfiles de efectividad y vulnerabilidad. El estudio propone un Modelo Multidimensional Integrado que articula: (i) la calidad de la gobernanza municipal; (ii) el contexto socioeconómico local; (iii) intervenciones de educación financiera y psicología financiera basadas en ciencias del comportamiento; y (iv) los resultados en la salud financiera y el bienestar de la población. Este modelo amplía los límites teóricos entre las finanzas públicas, la psicología económica y las políticas sociales.

Palabras clave: Psicología Financiera. Gestión Pública. Salud Financiera.

1 INTRODUCTION

The increase in the indebtedness of Brazilian families in recent decades has attracted the attention of researchers, public policy makers and social control agencies. According to data from Serasa Experian (2024), more than 43% of the Brazilian adult population has some type of default, especially small and medium-sized municipalities. At the same time, the literature on financial psychology (Kahneman, 2011; Thaler, 2016) shows that financial stress directly impacts mental health, productivity, and quality of life.

The discussion about financial well-being cannot be dissociated from the local socioeconomic context. Municipalities with less public infrastructure, low educational quality, and poor planning capacity tend to have more financially vulnerable populations (OECD, 2022). In the State of São Paulo, the State Court of Auditors (TCE-SP) developed the Municipal Management Effectiveness Index (IEG-M), which measures the quality of public management in six dimensions: Planning (i-Plan), Fiscal (i-Fiscal), Education (i-Educ), Health (i-Saúde), Environment (i-Amb) and Protected Cities (i-Cidade).

Given this scenario, a central question arises: is there a relationship between the effectiveness of municipal public management and the levels of indebtedness and financial vulnerability of the population?

The objective of this article is to analyze the relationship between the performance of São Paulo municipalities in the IEG-M indicators and the levels of delinquency, poverty and socioeconomic vulnerability, using secondary public data, such as Continuous PNAD (IBGE), Atlas of Social Vulnerability (IPEA), HDI (UNDP) and the Serasa Experian database.

The main contribution of this study is to integrate, in an unprecedented way in the Brazilian literature, the approaches of financial psychology with indicators of public management and financial well-being, proposing a multidimensional model that relates municipal governance and the financial health of the population.

2 THEORETICAL FOUNDATION

2.1 FINANCIAL PSYCHOLOGY AND ECONOMIC WELL-BEING

Financial psychology seeks to understand how emotional, cognitive, and social factors influence people's behavior in relation to money (Shefrin, 2000). Phenomena such as loss aversion, presenteeism bias, and availability heuristics affect the way individuals handle their finances, impacting the level of indebtedness and economic well-being (Kahneman & Tversky, 1979; Thaler, 2016).

Additionally, recent studies indicate that financial stress is a significant predictor of mental health issues such as depression and anxiety (Netemeyer et al., 2018). Financial well-

being, therefore, should not be analyzed only from the perspective of income, but also from indicators that reflect financial security and the absence of economic suffering.

2.2 PUBLIC POLICIES, FINANCIAL EDUCATION AND QUALITY OF MUNICIPAL MANAGEMENT

The literature highlights that quality public policies play a decisive role in reducing the financial vulnerability of populations (OECD, 2022). The provision of quality basic education, efficient health services, and responsible fiscal policies are elements that affect, directly or indirectly, the ability of families to manage their finances.

Municipal performance in areas such as education (i-Educ) and health (i-Saúde) influences human capital and the financial decision-making capacity of citizens. The quality of planning (i-Plan) and fiscal management (i-Fiscal), in turn, conditions the sustainability of public policies to combat poverty and promote financial inclusion.

2.3 THE INDICATORS OF EFFECTIVENESS OF MUNICIPAL MANAGEMENT (IEG-M)

The Municipal Management Effectiveness Index (IEG-M) is a performance evaluation tool developed by the Court of Auditors of the State of São Paulo (TCE-SP), with the objective of measuring the quality and effectiveness of public policies implemented by the municipalities of São Paulo. The IEG-M seeks to transcend merely accounting and financial analysis, focusing on the effectiveness of government actions and the ability to deliver concrete results to society.

The index is composed of six main dimensions, each representing a critical area of municipal public management:

i-Plan (Planning): Evaluates the existence and quality of municipal planning instruments, such as the Multi-Year Plan (PPA), the Budget Guidelines Law (LDO) and the Master Plan, in addition to the capacity for integration between planning, budgeting and execution.

i-Fiscal (Fiscal Management): Measures the balance and fiscal responsibility of the municipality, including aspects such as collection capacity, compliance with fiscal targets, debt control, budget execution and regularity of accountability.

i-Educ (Education): Evaluates the effectiveness of public education management, considering indicators such as basic education coverage rate, school unit infrastructure, performance in external evaluations (such as IDEB) and investments made in the sector.

i-Saúde (Health): Analyzes the performance of municipal public health services, considering the coverage of primary care, the indicators of service to the population and the public investments destined to the sector.

i-Amb (Environment): Measures the municipality's environmental management capacity, including inspection actions, preservation of green areas, solid waste management and pollution control.

i-City (Protected Cities): Evaluates the municipal structure focused on public security and civil defense, considering aspects such as emergency response capacity, prevention of natural disasters and investments in security.

Each of these dimensions is composed of a set of specific indicators, based on objective information declared by the municipalities themselves in response to standardized questionnaires, validated and audited by the TCE-SP. The IEG-M methodology allows the generation of a final grade per dimension, as well as an overall grade for each municipality.

In addition to enabling longitudinal comparisons (over the years), the IEG-M favors the comparison between municipalities of different sizes and regions, functioning as an important instrument for social control, public policy planning and the continuous improvement of municipal management.

2.4 SOCIAL VULNERABILITY, POVERTY AND DEFAULT

The social and financial vulnerability of a population is a multidimensional concept, which reflects the ability (or inability) of people and families to meet their basic needs, maintain minimum standards of quality of life, and face adverse economic shocks. The specialized literature recognizes that precarious socioeconomic conditions are strongly associated with financial risk behaviors, such as excessive indebtedness and default (Lusardi & Mitchell, 2014).

To measure financial vulnerability in the municipal context, this study used proxy variables derived from institutionally recognized and validated secondary sources.

2.4.1 Default Rate (Serasa Experian):

Considered one of the main indicators of financial vulnerability, the delinquency rate reflects the percentage of the adult population with overdue bills or negative credit records. This metric, obtained from the Serasa Experian database, allows a direct assessment of the level of indebtedness and the payment capacity of the municipal population.

2.4.2 Poverty and Household Income Indicators (Continuous PNAD/IBGE):

Based on the Continuous National Household Sample Survey (Continuous PNAD), data on the average household income per capita and the percentages of the population living below the poverty line and extreme poverty were used, according to the parameters established by the World Bank and the IBGE itself. These indicators are key to capturing the structural economic conditions that affect the financial behavior of households.

2.4.3 Municipal Human Development Index (MHDI/UNDP):

The MHDI, produced by the United Nations Development Program (UNDP), was used as a synthetic measure of the quality of life in the municipalities. It contemplates three essential dimensions: education, income and longevity, offering an integrated view of the conditions of human development that influence the financial security of the population.

2.4.4 Atlas of Social Vulnerability (IPEA):

Complementing the previous indicators, the Atlas of Social Vulnerability, prepared by the Institute of Applied Economic Research (IPEA), provides detailed data on aspects such as urban infrastructure, access to basic services (education, health, sanitation) and housing conditions. The Social Vulnerability Index (SVI) extracted from this database was used as an aggregate measure of the exposure of municipal populations to social and economic risks.

By using this set of indicators, the study adopts a multifactorial approach to understand the determinants of delinquency and financial vulnerability, seeking to capture both the structural aspects of poverty and the behavioral reflexes in the financial sphere.a.

3 METHODOLOGY

This study adopts a quantitative, exploratory and explanatory approach, based exclusively on public secondary data available at the municipal level.

3.1 SAMPLE AND ANALYSIS PERIOD

The sample comprises the 645 municipalities of the State of São Paulo, with data collected for the period from 2022 to 2024. The choice of the State is justified by the availability and quality of the IEG-M data and the high number of municipalities, which allows for robust statistical analyses.

3.2 DATA SOURCES

This study used exclusively secondary data of public or institutional access, from consolidated databases recognized nationally and internationally for the quality and comprehensiveness of the information.

3.2.1 Municipal Management Effectiveness Index (IEG-M) – Court of Auditors of the State of São Paulo (TCE-SP) – Period 2022 to 2024:

The results of the six dimensions that make up the IEG-M were extracted: Planning (i-Plan), Fiscal Management (i-Fiscal), Education (i-Educ), Health (i-Health), Environment (i-Amb) and Protected Cities (i-City). The data were obtained directly from the official portal of the TCE-SP, with a standardized methodology for collection and validation with the municipalities of São Paulo.

3.2.2 Continuous National Household Sample Survey (Continuous PNAD) – Brazilian Institute of Geography and Statistics (IBGE):

Microdata from the Continuous PNAD were used for the period from 2022 to 2024, focusing on socioeconomic indicators disaggregated by municipality. The selected variables include average household income per capita, unemployment rate, percentage of the population in poverty, and extreme poverty.

3.2.3 Atlas of Social Vulnerability in Brazilian Municipalities – Institute of Applied Economic Research (IPEA):

The indicators of the Social Vulnerability Index (IVS) by municipality were used, detailing the dimensions of urban infrastructure, human capital, and income and work. This database allowed the identification of areas with greater social risk and economic vulnerability.

3.2.4 Municipal Human Development Index (MHDI) – United Nations Development Program (UNDP):

MHDI data disaggregated by municipality were extracted, focusing on the education, longevity and income components. These data were used as a proxy for the human and social development of the analyzed locations.

3.2.5 Municipal Default Base – Serasa Experian:

The survey used the average default rate of the adult population of each municipality in São Paulo, with data stratified by income range and population profile. The data includes the percentage of delinquent consumers, the average volume of debts per individual, and the historical evolution of indebtedness between 2022 and 2024.

3.3 ANALYSIS TECHNIQUES

To achieve the proposed objectives and explore the relationships between the effectiveness of municipal public management and the indicators of financial well-being of the population, the following statistical techniques were applied:

3.3.1 Descriptive Analysis:

Initially, a descriptive analysis of the variables involved in the study was carried out, with the objective of characterizing the sample of municipalities. Measures of central tendency (mean and median), dispersion (standard deviation and amplitude), as well as relative and absolute frequencies were calculated. This stage allowed the identification of general patterns, outliers and distribution of data among the different municipal strata.

3.3.2 Pearson's correlation:

To investigate the existence of linear associations between public management indicators (IEG-M) and socioeconomic indicators (default rate and social vulnerability), Pearson's correlation was used. This bivariate analysis made it possible to identify the degree and direction of the relationships between the independent variables (IEG-M dimensions) and the dependent variables (default and vulnerability), considering a significance level of 5%.

3.3.3 Multiple Regression:

In the next stage, linear multiple regression analysis was used, with the objective of evaluating the simultaneous impact of the dimensions of the IEG-M on the levels of delinquency and municipal poverty. The model included control variables, such as population size and Gross Domestic Product (GDP) per capita of the municipalities, to reduce the risk of biases due to omission of relevant variables. The assumptions of linearity, homoscedasticity, normality of residuals and absence of multicollinearity among the predictors were evaluated.

3.3.4 Cluster Analysis (K-means):

Finally, a cluster analysis was applied, using the K-means method, with the objective of classifying the municipalities of São Paulo into homogeneous groups based on aggregate performance in the dimensions of the IEG-M and the levels of financial and social vulnerability. The definition of the ideal number of clusters was carried out through the analysis of the Elbow criterion and the inspection of intergroup distances. This stage allowed the identification of different profiles.

4 RESULTS

4.1 DESCRIPTIVE ANALYSIS OF THE SAMPLE

The analysis of the 645 municipalities of São Paulo revealed a wide variation in public management indicators (IEG-M) and in social and financial indicators. Municipalities with larger populations presented, on average, better performance in the i-Fiscal and i-Plan axes, while smaller municipalities stood out in i-Educ and i-Health.

Table 1

General Statistics of the Sample

Indicator	Value
Average default rate	38,5%
Standard deviation of delinquency	9.2 percentage points
i-Educ Average	0,65
i-Plan Medium	0,62
i-Fiscal Average	0,60

Source: Author (2025).

The descriptive analysis shows that the average delinquency among the municipalities is high, with great variation (9.2 percentage points). The averages of the municipal public management indexes indicate intermediate performance in the education, planning and fiscal management axes.

From the point of view of financial vulnerability, Serasa Experian's data indicated that the average default rate in the State of São Paulo, in the period analyzed, was 38.5%, with significant variations between municipalities.

4.2 PEARSON'S CORRELATION

Table 2

Relationship between IEG-M and Delinquency

Independent Variable	Correlation with Delinquency	Significance (p-value)
i-Educ	-0.48	< 0.01
i-Plan	-0.44	< 0.01
i-Fiscal	-0.32	< 0.05
i-Health	-0.29	< 0.05

Source: Author (2025).

The results show statistically significant negative correlations between public management indicators and municipal default levels. Municipalities with better performance in the areas of education, planning and health tend to have lower default rates.

4.3 MULTIPLE REGRESSION

Table 3

Predictors of Municipal Delinquency

Variable	Beta Coefficient	Significance (p-value)
i-Educ	-0.31	< 0.01
i-Plan	-0.27	< 0.01
i-Fiscal	-0.18	< 0.05
Control: GDP per capita	-0.12	< 0.05

Source: Author (2025).

The multiple regression analysis revealed that management indicators in education and planning are the main predictors for the reduction of delinquency, followed by fiscal performance and GDP per capita, which is included as a control variable.

4.4 CLUSTER ANALYSIS

Table 4

Classification of Municipalities

Cluster	Description	Average Delinquency	IVS Medium
Cluster 1	High Effectiveness / Low Vulnerability	28,4%	0,35
Cluster 2	Moderate Effectiveness / Moderate Vulnerability	39,2%	0,48
Cluster 3	Low Effectiveness / High Vulnerability	48,7%	0,61

Source: Author (2025).

The cluster analysis allowed the identification of three distinct profiles of municipalities in São Paulo regarding the effectiveness of public management and the levels of social and

financial vulnerability. Cluster 1 brings together municipalities with high administrative effectiveness, characterized by better performance in the dimensions of the IEG-M, lower default rates and reduced social vulnerability, with Campinas, São José dos Campos and Ribeirão Preto standing out, which have more consolidated institutional structures and more stable economic environments.

Cluster 2 encompasses municipalities with intermediate effectiveness, in which institutional advances and occasional weaknesses coexist, reflecting moderate levels of delinquency and social vulnerability; this profile includes Sorocaba, Taubaté and Presidente Prudente, which demand policies to strengthen planning and fiscal education.

In turn, Cluster 3 is composed of municipalities with low effectiveness of public management, high levels of delinquency and greater social vulnerability, such as Itapeva, Registro and Cajati, evidencing the need for structuring actions and intergovernmental support to improve institutional capacity and local socioeconomic conditions.

4.5 RELATIONSHIP BETWEEN PUBLIC MANAGEMENT INDICATORS AND DEFAULT

Pearson's correlation analysis showed negative and statistically significant associations between the i-Educ, i-Saúde and i-Plan indicators with the municipal default rate ($p < 0.05$). In other words, municipalities with better performance in these axes had lower levels of delinquency.

In addition, multiple regression indicated that the dimensions i-Educ ($\beta = -0.31$; $p < 0.01$) and i-Plan ($\beta = -0.27$; $p < 0.01$) were the strongest predictors to explain the variation in delinquency, even controlling for factors such as population size and GDP per capita.

Table 5

Relationship between IEG-M Indicators and Default/Vulnerability

IEG-M dimension	Relationship with Delinquency	Featured Impact
i-Educ	Significant negative ($\beta = -0,31$; $p < 0.01$)	Reduction of delinquency
i-Plan	Significant negative ($\beta = -0,27$; $p < 0.01$)	Reduction of delinquency
i-Fiscal	Negative with Social Vulnerability ($p < 0.05$)	Reduction of social vulnerability
i-Health	Significant negative ($p < 0.05$)	Reduction of delinquency

Source: Author (2025).

Table 1 shows that the i-Educ and i-Plan dimensions had the greatest negative impacts on the municipal delinquency rate, indicating that better rates in these axes are associated with lower levels of delinquency. The i-Fiscal, in turn, had a relevant effect on social vulnerability.

4.6 FISCAL MANAGEMENT AND SOCIAL VULNERABILITY

The results also showed that the i-Fiscal showed a negative correlation with the Social Vulnerability Index (SVI) ($p < 0.05$), suggesting that municipalities with better fiscal management capacity tend to have lower levels of socioeconomic vulnerability.

5 DISCUSSION

The findings of this study reinforce the hypothesis that the effectiveness of municipal public management plays a central role in reducing the financial vulnerability of the population, even when controlling for structural factors such as population size and income level.

The results dialogue with the financial psychology literature, which points out that the institutional environment can reinforce or mitigate harmful financial behaviors (Lusardi & Mitchell, 2014; Kahneman, 2011). Municipalities with better performance in education and planning offer more favorable conditions for building a culture of financial health.

The i-Educ dimension emerges as one of the main factors associated with the reduction of delinquency. This result is consistent with previous studies that indicate education as a key variable in the formation of healthy financial habits (OECD/INFE, 2022).

In addition, the performance in planning (i-Plan) and fiscal management (i-Fiscal) shows that the ability to anticipate scenarios, organize resources and implement effective public policies can generate indirect effects on the financial well-being of the population.

From the point of view of public policies, the findings indicate the need for integration between the areas of education, health, inspection and planning, promoting financial education strategies aligned with local contexts of vulnerability.

6 CONCLUSIONS AND IMPLICATIONS

This study provides robust empirical evidence that the quality of municipal public management, assessed by means of the Municipal Management Effectiveness Index (IEG-M), exerts a significant influence on the levels of delinquency, poverty and social vulnerability in the municipalities of the State of São Paulo. The results demonstrate that dimensions such as planning (i-Plan), education (i-Educ) and fiscal management (i-Fiscal) have negative and statistically significant correlations with financial vulnerability indicators, reinforcing the idea that better public governance practices are associated with more favorable socioeconomic conditions.

From a theoretical point of view, the main contribution of this research is in the advancement of integration between the fields of public management, financial education,

financial psychology and behavioral science. The combination of concepts from behavioral economics, such as cognitive biases, loss aversion, and decision heuristics, with objective indicators of public administration performance, broadens the understanding of the structural and behavioral factors that influence indebtedness and financial stress in the population.

Empirically, the study stands out for its exclusive use of official secondary databases, covering sources such as IBGE, IPEA, UNDP, Serasa Experian and the TCE-SP itself. From this information, it was possible to establish statistically significant correlations between the quality of public management and the financial and social outcomes of the population, using robust quantitative methods such as multiple regression and cluster analysis.

As a practical contribution, this study proposes an Integrated Multidimensional Model of the Influence of Municipal Governance on the Financial Health of the Population. This model establishes four interrelated dimensions:

➢ Municipal Governance (IEG-M): Quality of management in the areas of planning, fiscal management, education, health, environment and public safety.

➢ Local Socioeconomic Structure: Objective conditions of the population in terms of income, poverty, social vulnerability and human development.

➢ Interventions in Financial Education and Financial Psychology: Inclusion of public policies aimed at developing financial skills, combating behavioral biases, and promoting a culture of financial planning in schools and communities.

➢ Financial Health and Well-Being Outcomes: Reduced delinquencies, mitigated financial stress, increased subjective financial security, and strengthened citizens' economic decision-making capacity.

This model suggests that the effectiveness of public management, when combined with financial education strategies and interventions based on behavioral science, can generate positive effects on both macroeconomic indicators and individual financial well-being.

It is important to recognize the limitations of this research. Because it is based on aggregated data at the municipal level, it was not possible to capture the nuances of individual financial behavior within the municipalities. In addition, the exclusive use of secondary indicators restricts the analysis of subjective psychosocial variables, such as individual attitudes towards money and perception of financial well-being.

For future research, it is recommended:

➢ Conducting longitudinal investigations, with the objective of evaluating the effects of improvements in public management on debt levels and financial well-being over time.

- The development of inter-regional comparative studies, involving different states and regions of Brazil, to test the generalization of the proposed model.
- The conduction of qualitative surveys and surveys at the household level, to explore individual perceptions about the effectiveness of public management and its impact on financial and emotional well-being.
- The evaluation of financial education programs already implemented by local governments, focusing on the behavioral and financial effects generated in the population.

Finally, the results of this research reinforce the importance of efficient, integrated municipal public governance guided by principles of financial psychology and behavioral science, as a strategic factor for the promotion of collective financial health, contributing to the strengthening of the economic and social resilience of local populations.

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