MONEY AND MENTAL HEALTH
POLICY INSTITUTE

MONEY AND MENTAL HEALTH: THE FACTS

The link between money and mental health

There are over three million adults in the UK with both mental health problems and financial difficulties, and this number is growing as the economy slows. Growing levels of personal debt present a looming crisis for mental health services, increasing demand and reducing recovery rates, yet services themselves are failing to act.

People in problem debt are significantly more likely to experience mental health problems

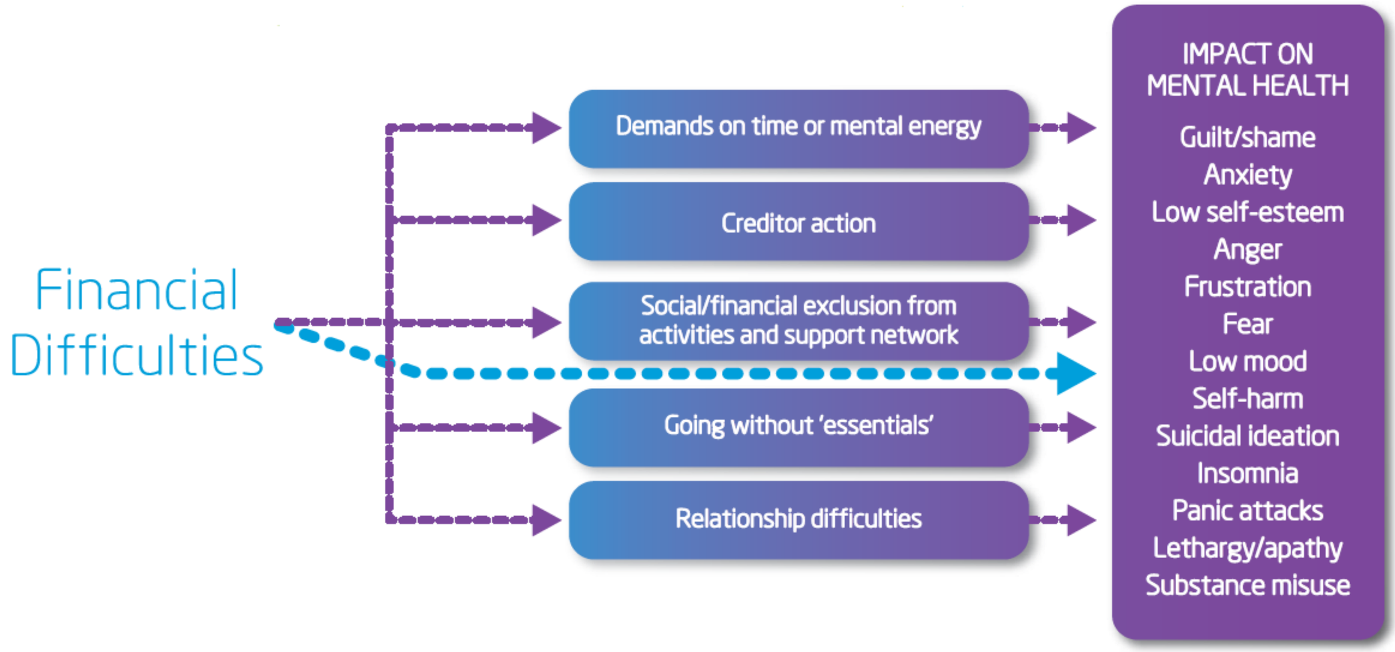
- Half of adults in problem debt also have a mental health problem.[1]
- People with problem debt are twice as likely to develop major depression as those not in financial difficulty.[2]
- 86% of respondents to a Money and Mental Health survey of nearly 5,500 people with experience of mental health problems in spring 2016 said that their financial situation had made their mental health problems worse.[3]

People with mental health problems are also more likely to be in problem debt

- One in four British adults with a mental health problem has problem debt.[4]
- While fewer than one in ten (8%) people without mental health problems are in problem debt, this rises to nearly one in four (24%) for people experiencing depression or anxiety, and one in three (33%) for people experiencing psychosis.[5]
- People with severe mental illness are 2.3 times as likely to experience money or debt problems; 2.4 times as likely to experience welfare benefits problems; and 2.8 times as likely to experience problems relating to homelessness.[6]
- 72% of respondents to Money and Mental Health's survey said that their mental health problems had made their financial situation worse.[7]

How does being in financial difficulty affect your mental health?

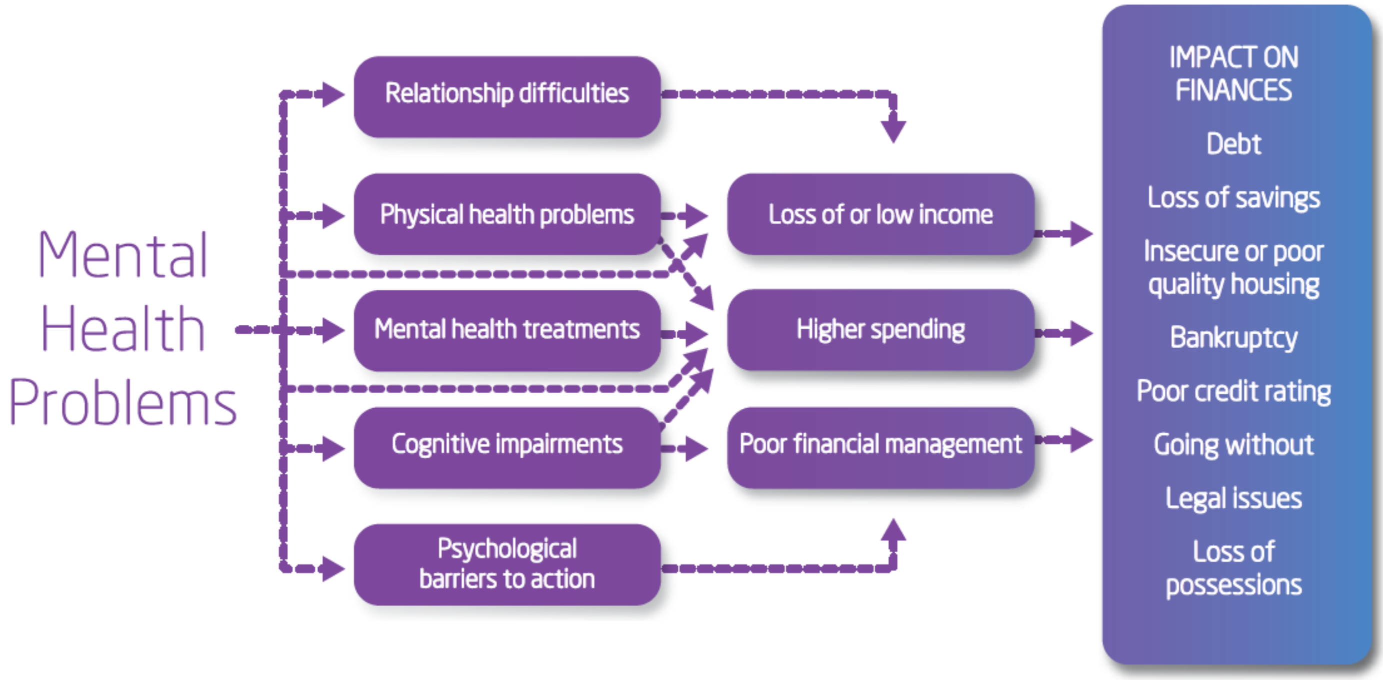
- People in problem debt are twice as likely to think about suicide as those not in financial difficulty, even after controlling for other factors.[8]
- Financial difficulty drastically reduces recovery rates for common mental health conditions. People with depression and problem debt are 4.2 times more likely to still have depression when contacted 18 months later compared to people without financial difficulty. For those with anxiety, having financial difficulties means you are 1.8 times more likely to still be experiencing anxiety 18 months later than if your finances were sound.[9]
- The ongoing stress and anxiety caused by financial difficulties can also make treatment for mental health problems less effective. The recovery rate for people in the main talking therapies programme (IAPT) with both depression and problem debt is likely to be just 22%, less than half that of those who have depression but no financial difficulties (55%). For people experiencing anxiety, the recovery rate in IAPT is likely to be just 38% among those experiencing financial difficulties, while over half (52%) of patients recover through IAPT.[10]



Source: Money and Mental Health Policy Institute, 'Money on your mind', 2016. Pathways were mapped from the qualitative accounts of financial difficulty from 2,911 people with mental health problems

How does having a mental health problem affect your finances?

- People experiencing mental health problems are less likely to be in paid employment, and more likely to be in low-paid employment. Only 43% of people with mental health problems are in employment, compared to 74% of the general population and 65% of people with other health conditions. People with mental health problems are also overrepresented in high-turnover, low-pay, part-time or temporary work.[11]
- Many common mental health problems can affect a person's problem-solving and planning abilities, memory or ability to communicate with companies, which can make managing financial matters very difficult and increases the likelihood of financial difficulty.
- A very high proportion of people with mental health problems report that their spending patterns and ability to make financial decisions changes during periods of poor mental health. A Money and Mental Health survey of nearly 5,500 people with mental health problems found that, while unwell:
    - 93% spent more than usual
    - 92% found it harder to make financial decisions
    - 74% put off paying bills
    - 71% avoided dealing with creditors
    - 56% took out a loan that they would not otherwise have taken out.[12]
- People with mental health problems are about four times more likely to be in arrears with their gas and electricity bills than those without.[13]



Source: Money and Mental Health Policy Institute, 'Money on your mind', 2016. Pathways were mapped from the qualitative accounts of financial difficulty from 2,911 people with mental health problems

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