



MONEY AND MENTAL HEALTH: THE FACTS

The link between money and mental health

Mental health and money problems are often intricately linked. One problem can feed off the other, creating a vicious cycle of growing financial problems and worsening mental health that is hard to escape. Across England more than 1.5 million people are experiencing both problem debt and mental health problems.¹

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

- Half (46%) of people in problem debt also have a mental health problem.²
- 86% of respondents to a Money and Mental Health survey of nearly 5,500 people with experience of mental health problems 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

- Almost one in five (18%) people with mental health problems are in problem debt. People experiencing mental health problems are three and a half times more likely to be in problem debt than people without mental health problems (5%).⁴
- 72% of respondents to Money and Mental Health's survey said that their mental health problems had made their financial situation worse.⁵

The cycle of money and mental health problems



Source: Money and Mental Health Policy Institute. 2019.

How does being in financial difficulty affect your mental health?

- **Financial difficulties are a common cause of stress, and stigma around debt can mean that people struggle to ask for help and can become isolated.** The impact on people's mental health can be particularly severe if they resort to cutting back on essentials, such as heating and eating, or if creditors are aggressive or insensitive when collecting debts.⁶
- **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 18 months later, compared to people without financial difficulty.
- **People in problem debt are three times as likely to have thought about suicide in the past year.** Suicide is a complex phenomena and there are usually a range of social factors, life events and other circumstances that drive someone to think about it. However there is a strong link between problem debt and suicide. **More than 100,000 people in England attempt suicide while in problem debt each year.**⁸

How does having a mental health problem affect your finances?

Income

- **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.⁹
- Some people experiencing mental health problems will be reliant on benefits when they are unable to work. **A third of Housing Benefit claimants (35%) - and nearly half (47%) of adults aged 16-64 in receipt of some kind of out of work benefit - have a common mental disorder, such as depression or generalised anxiety disorder.** This rises to two thirds (66%) of people claiming Employment and Support Allowance (ESA), a benefit aimed at those unable to work due to poor health or disability.¹⁰

Expenditure

- Mental health problems can shape how our minds work and how we behave, as well as our emotions. **Common symptoms of mental health problems, such as increased impulsivity and memory problems, can make it harder to keep on top of financial management** or to get a good deal in complex markets, increasing the likelihood of financial difficulty.¹¹
- **Many people with mental health problems report that their spending patterns and ability to make financial decisions changes significantly 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

- Mental health problems can also make it harder to engage with essential services, such as banks and energy companies. People can struggle to understand bills and remember account details, which can lead to financial difficulties and distress. **Four in ten (37%) people who have experienced mental health problems exhibit significant levels of anxiety when dealing with essential services**, including symptoms such as a racing heart or trouble breathing.¹³
- Communicating with essential service providers can be a particular issue. **Three quarters (75%) of people who have experienced mental health problems have serious difficulties engaging with at least one common communication channel, such as using the telephone, face-to-face contact or opening post.** Telephone calls are the most commonly problematic. More than half (54%) of people who have experienced mental health problems find the telephone difficult or distressing to engage with. If alternative channels aren't offered, these difficulties can prevent people from accessing support and addressing problems with their account.¹⁴
- However, firms might find it difficult to identify customers experiencing mental health problems. Many people will not disclose mental health problems to essential services providers, often due to stigma. And **a third (36%) of people experiencing a common mental disorder like depression or anxiety have never received a diagnosis**, and might not even know what they are experiencing is a clinical mental health problem.¹⁵

Footnotes

¹ Holkar M. Mental health problems and financial difficulty. Money and Mental Health Policy Institute. 2019. Derived from Adult Psychiatric Morbidity Survey 2014: covers England only.

² Ibid.

³ Holkar M and Mackenzie P. Money on Your Mind. Money and Mental Health Policy Institute. 2016. Derived from UK-wide survey of 5,500 people with lived experience of mental health problems.

⁴ Holkar M. Mental health problems and financial difficulty. Money and Mental Health Policy Institute. 2019. Derived from Adult Psychiatric Morbidity Survey 2014: covers England only.

⁵ Holkar M and Mackenzie P. Money on Your Mind. Money and Mental Health Policy Institute. 2016. Derived from UK-wide survey of 5,500 people with lived experience of mental health problems.

⁶ Holkar M and Mackenzie P. Money on Your Mind. Money and Mental Health Policy Institute. 2016.

⁷ Skapinakis P, Weich S, Lewis G, et al. Socio-economic position and common mental disorders: Longitudinal study in the general population in the UK. British Journal of Psychiatry 2006; 189: 109-117. Derived from Adult

Psychiatric Morbidity Survey 2000 and follow-up, covering Great Britain.

⁸ Holkar M and Bond N. A Silent Killer. Money and Mental Health Policy Institute. 2019. Derived from Adult Psychiatric Morbidity Survey 2014: covers England only.

⁹ Independent Mental Health Taskforce, The Five Year Forward View for Mental Health, NHS England, 2016. Derived from Labour Force Survey; UK wide.

¹⁰ McManus S et al (eds.) Mental health and wellbeing in England: Adult Psychiatric Morbidity Survey 2014. NHS Digital. 2016. Covers England only.

¹¹ Holkar M. Seeing through the fog. Money and Mental Health Policy Institute. 2017.

¹² Holkar M and Mackenzie P. Money on Your Mind. Money and Mental Health Policy Institute. 2016.

¹³ Holkar M, Evans K and Langston K. Access essentials. Money and Mental Health Policy Institute. 2018. Derived from Populus UK-wide online survey of 2,078 people, weighted to be nationally representative.

¹⁴ Ibid.

¹⁵ McManus S et al (eds.) Mental health and wellbeing in England: Adult Psychiatric Morbidity Survey 2014. NHS Digital. 2016. Covers England only.