

Money and Mental Health

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Background

- Those of low socio-economic status have an increased risk of mental health problems (Kivimäki et al., 2020).
- Recessions lead to an increase in common mental disorders, substance use problems and suicidal behaviour (Frasquilho et al., 2015).
- A study of 10 European countries found that socioeconomic deprivation was linked to higher suicide rates (Lorant et al., 2005)
- A study of the entire population of Sweden showed that those who are in debt are 2.5 times more likely to end their lives by suicide over a year (Rojas, 2021).

Background

- Having to borrow money from informal sources and having a utility disconnected are related to an increased risk of mental disorder (Jenkins et al., 2008).
- Use of short-term loans (aka pay-day loans) is linked with higher levels of anxiety (Sweet, Kuzawa, & McDade, 2018).

Debt and Mental Health

Richardson et al. (2013) meta-analysis:

- Those in debt more than 3 times as likely to have a mental health disorder.
- 9% of those with no mental disorder are in debt compared to 25% in debt in those with MH.
- 42% of those in debt have mental disorder compared to 18% of those not in debt.



Debt and Mental Health

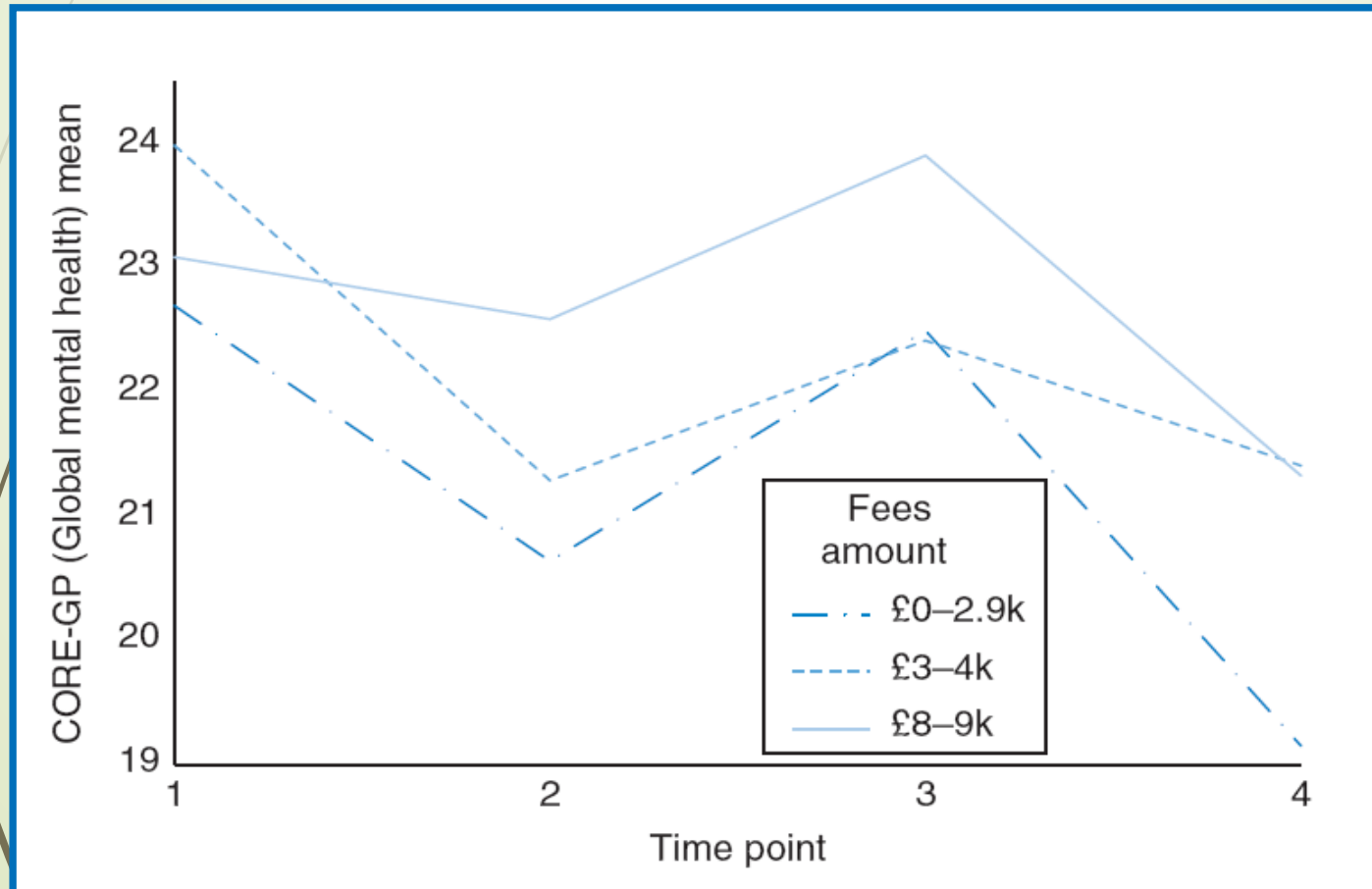
Relationship between debt and specific mental health problems:

- Depression
- Suicide attempt or completion
- Problem drinking and drug dependence
- Psychotic disorders



Tuition Fees and Mental Health

Richardson et al. (2015) study followed up 390 first-year British students who differed on their tuition fees (before and after fees increase).



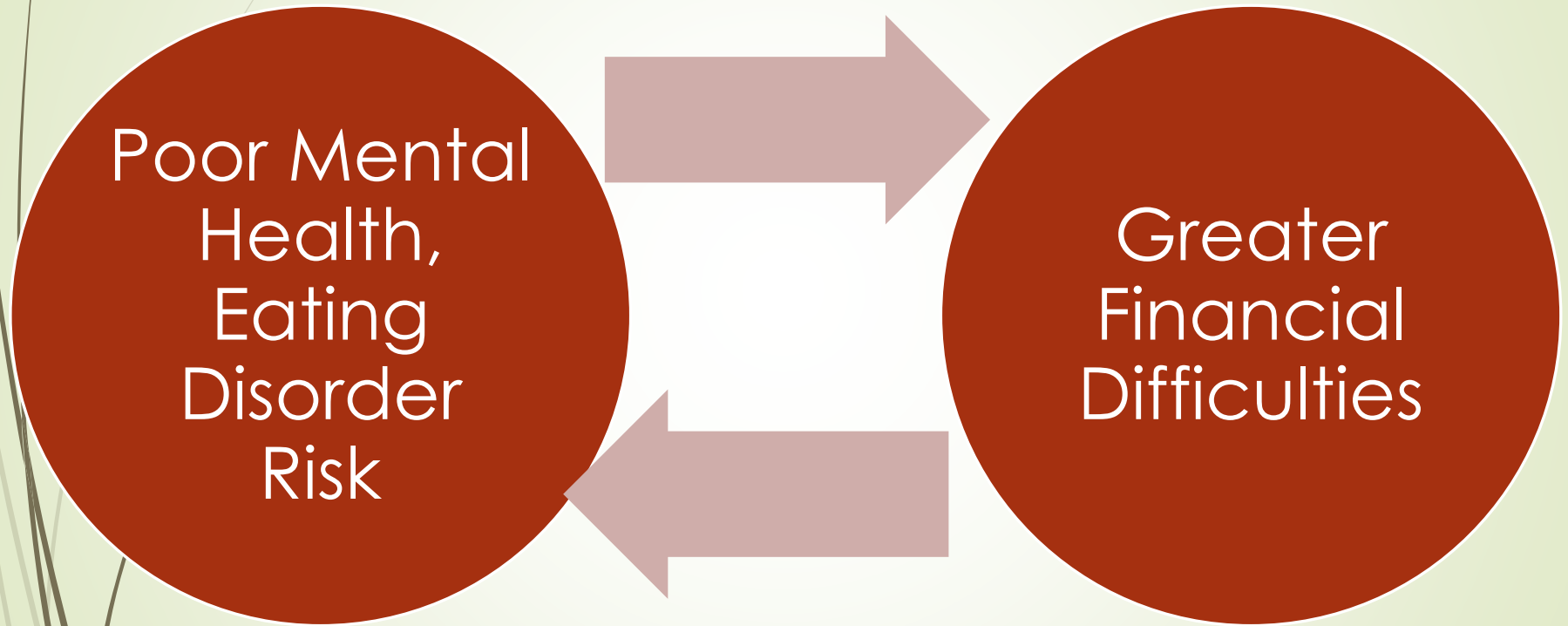
Money and Mental Health in Students

- Tuition fees amount, size of student loan and amount of debt had little impact.

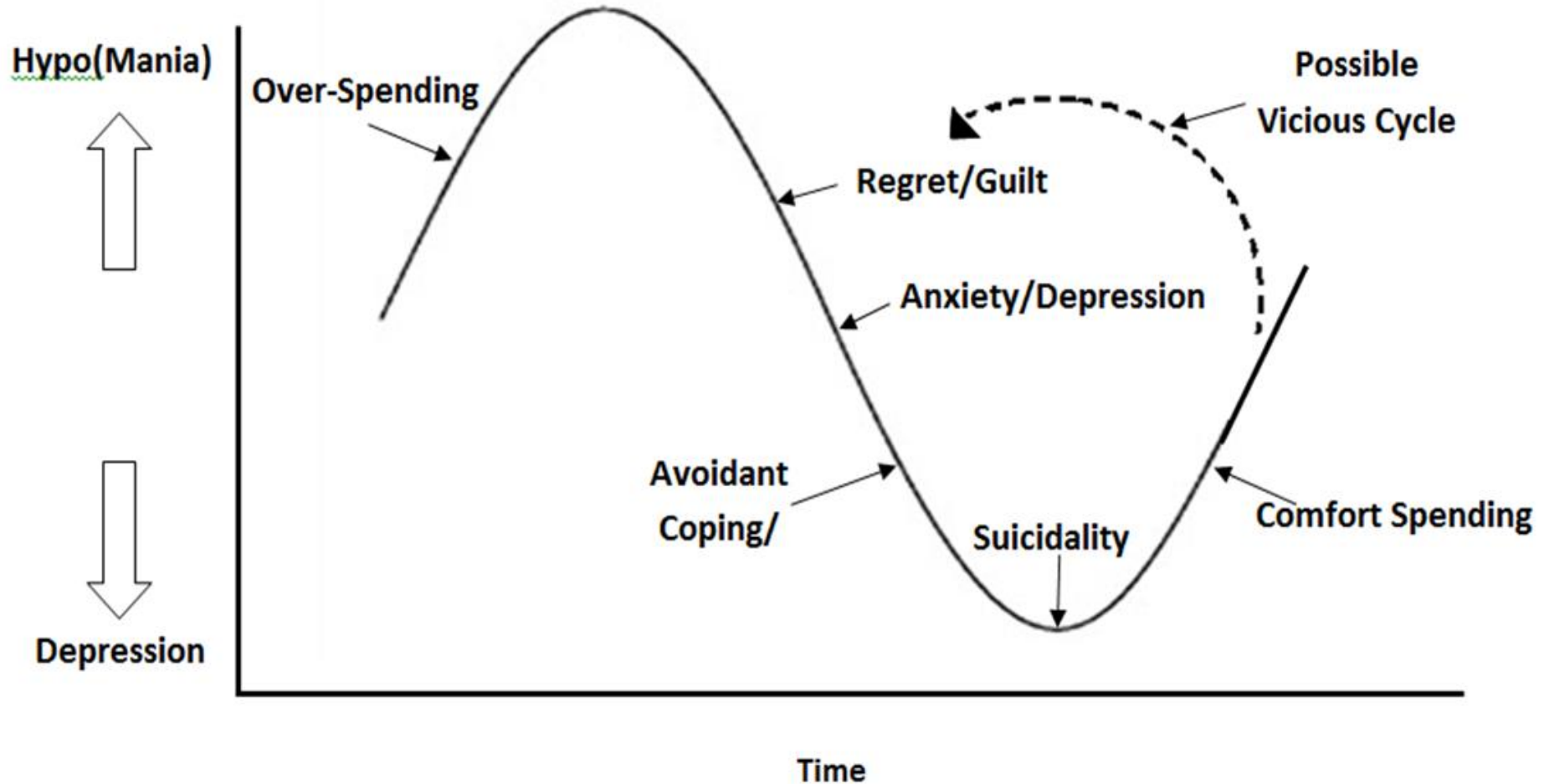
BUT struggling to pay the bills increased symptoms over time increased risk of:

- Depression
- Anxiety
- Stress
- Problem Drinking
- Psychotic symptoms
- Eating Disorder risk

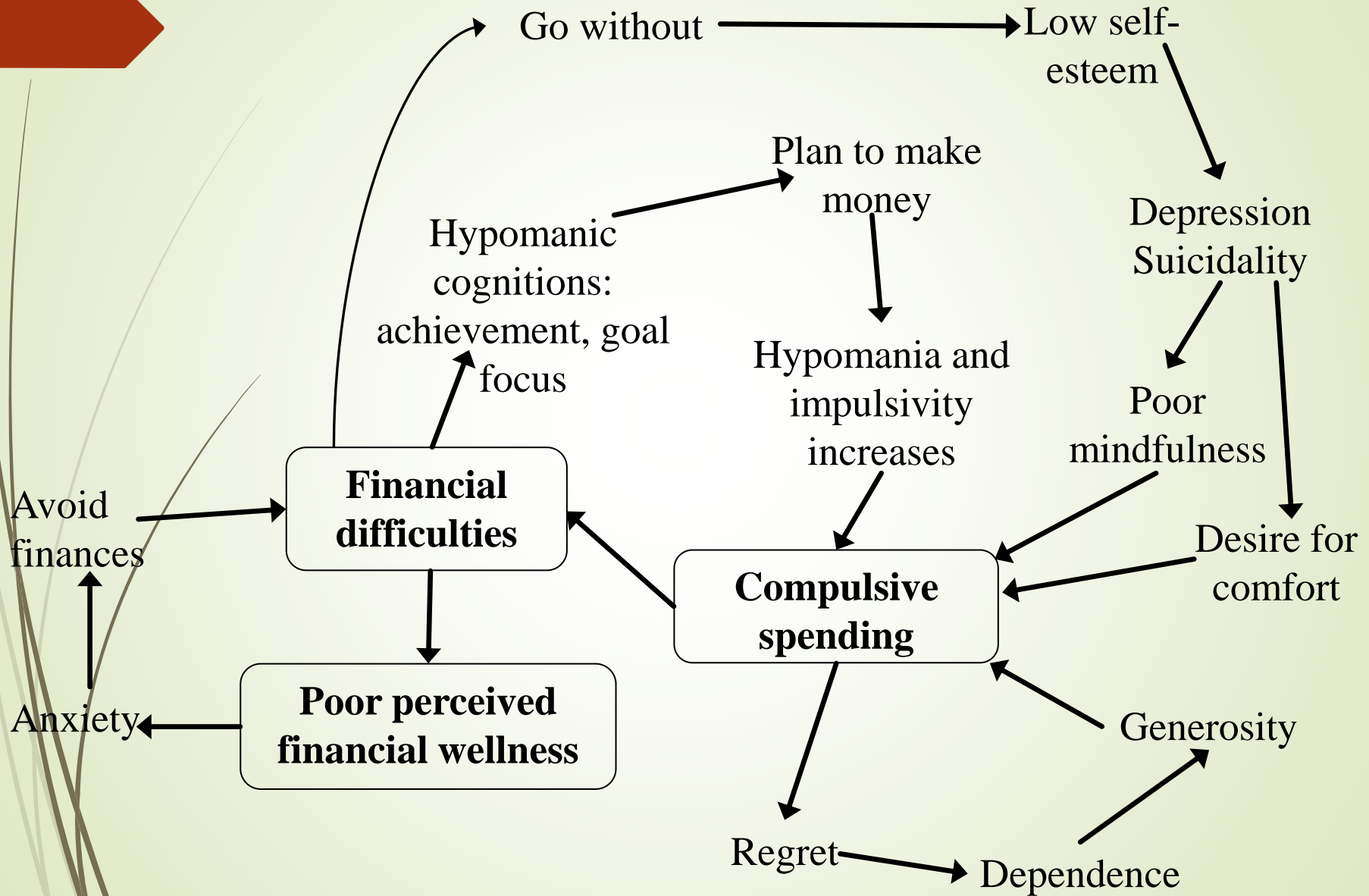
In Students: A Vicious Cycle



Bipolar: Timeline with Mood Changes



Bipolar and Money: Model

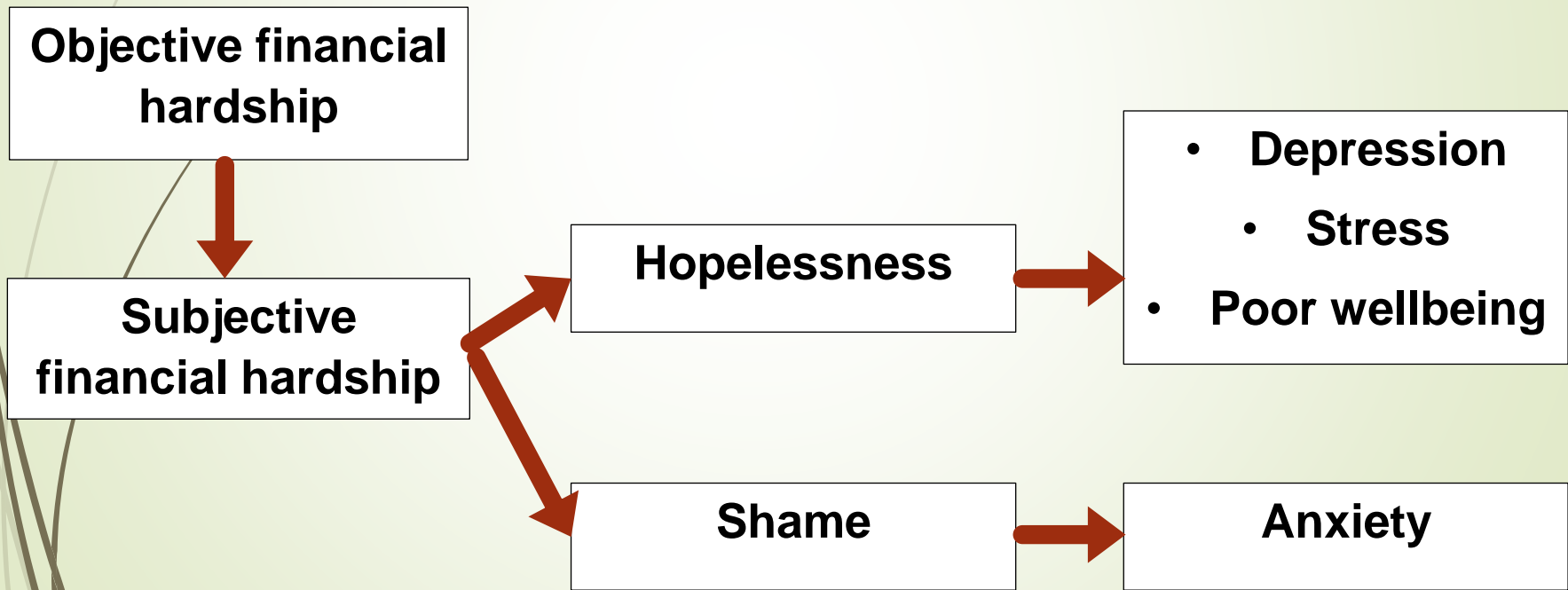


Psychological Mechanisms

- How stressed people feel about their debt is more important than the actual amount of debt in terms of impact on depression (Bridges & Disney, 2010).
- Believing finances will get worse predicts poor mental health (Brown et al., 2005).
- Study of older adults in china found that social network and how much help people felt they had (anticipated support) moderated impact of debt on depression (Gao et al., 2022).

Psychological Mechanisms

- Frankham et al (2020):
- Subjective (stress/worry about finances) more important than objective measures of finances (e.g. amount debt).



Psychological Mechanisms

Frankham et al (2020): Review of research

**Objective
financial hardship**

- Protective factors:**
- **Self-Esteem**
 - **Personal Agency**
 - **Active Coping**

**Poor mental
health**

Summary

- Strong link between financial difficulties and mental health problems.
- Peoples level of worry/stress about finances/debt more important than how much debt.
- Psychological factors such as hope and shame turn financial struggles into poor mental health.
- Sense of agency, active coping and self-esteem are all protective.
- Mental health increases financial difficulties due to avoidance, goal focused impulsive spending, poor employment.

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