

# **Money and Mental Health**

**Dr. Thomas Richardson**

**Associate Professor of Clinical Psychology  
University of Southampton**

**Email: [T.H.Richardson@soton.ac.uk](mailto:T.H.Richardson@soton.ac.uk)**

**Twitter: [@DrTomRichardson](https://twitter.com/DrTomRichardson)**

# 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

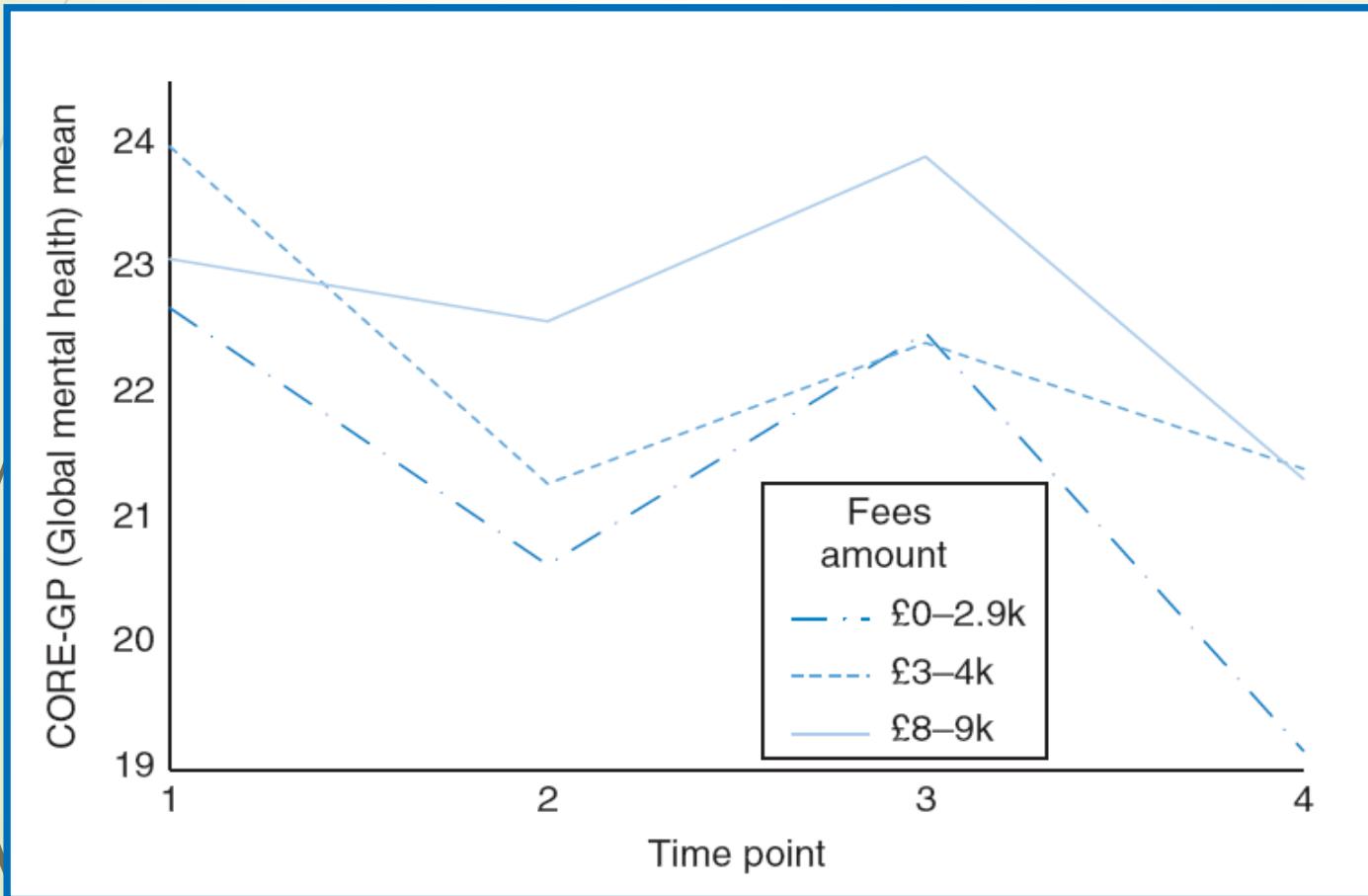
Relationship between debt and specific mental health problems:

- 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).



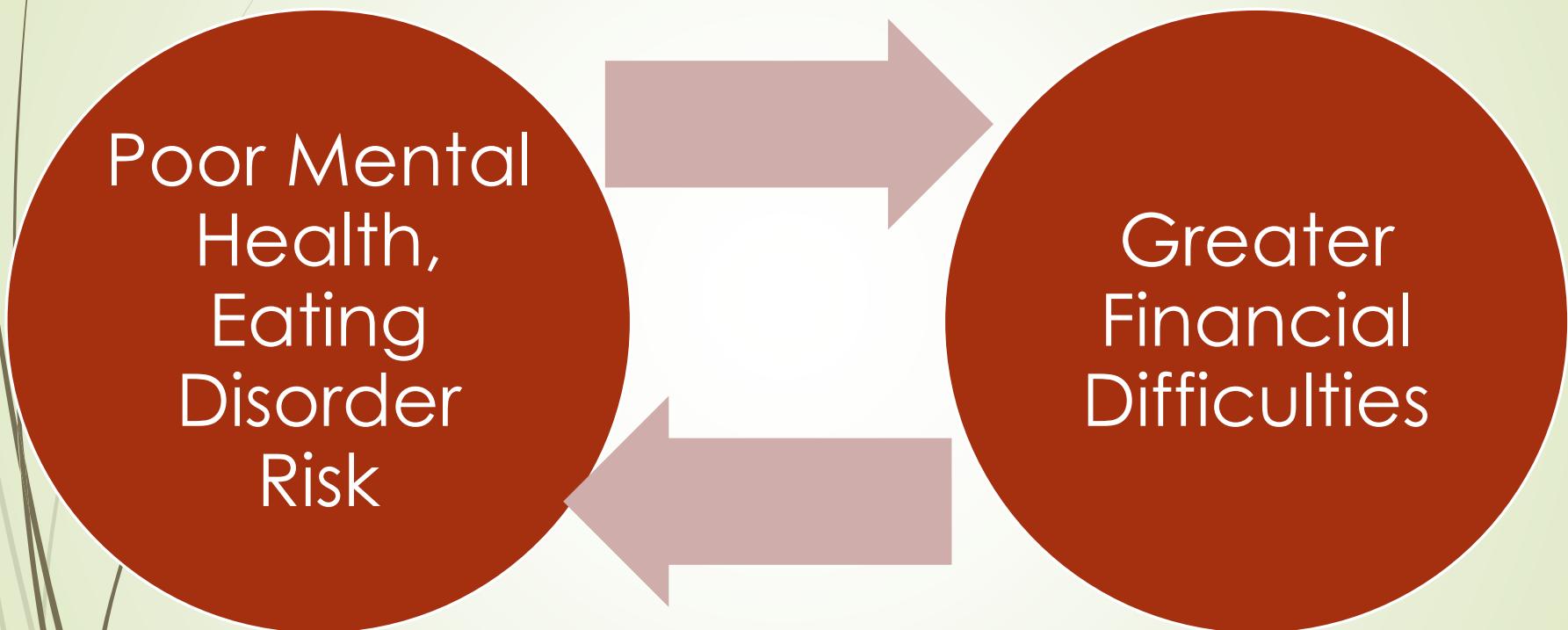
# Money and Mental Health in Students

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

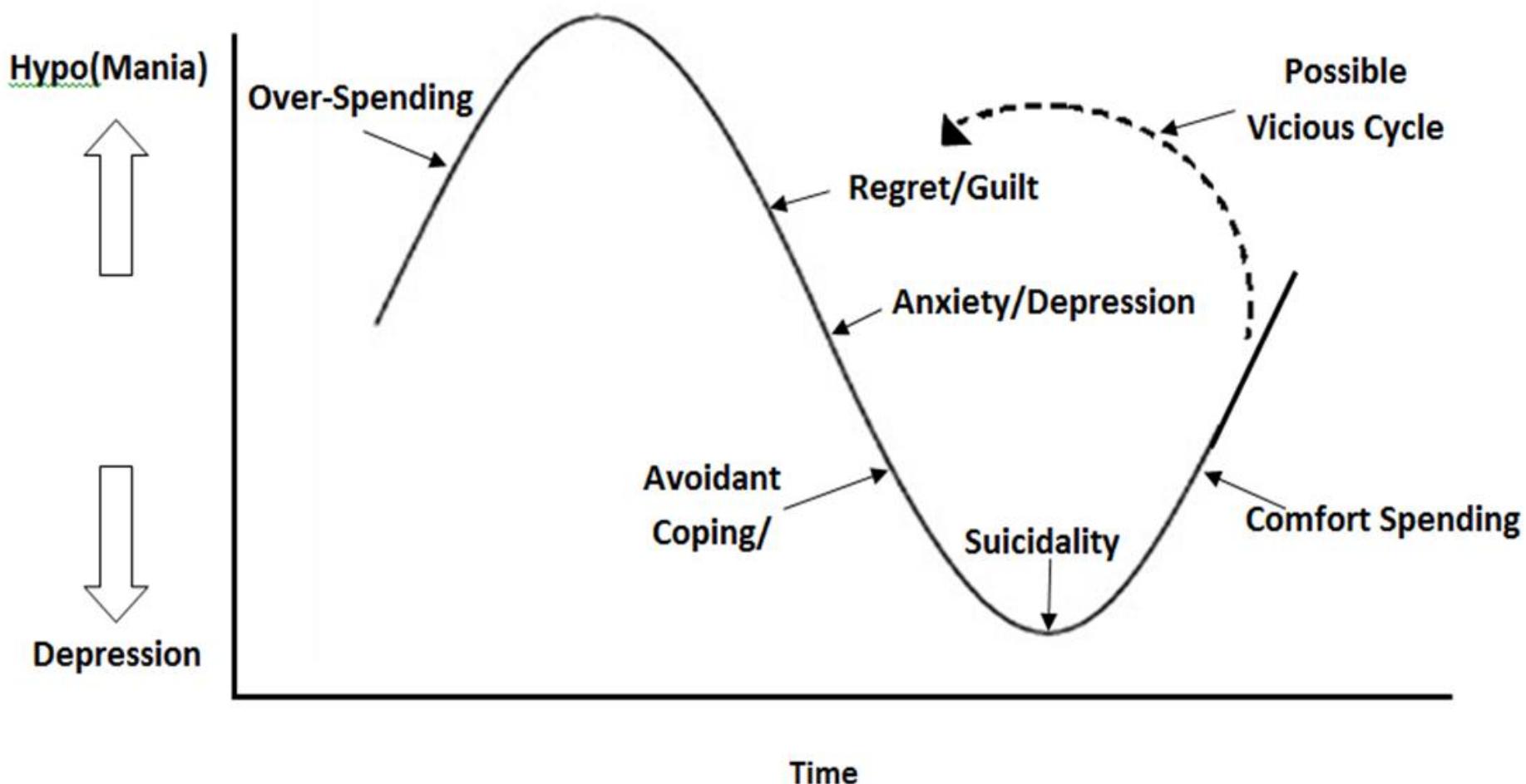
**BUT** struggling to pay the bills increased symptoms over time increased risk of:

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

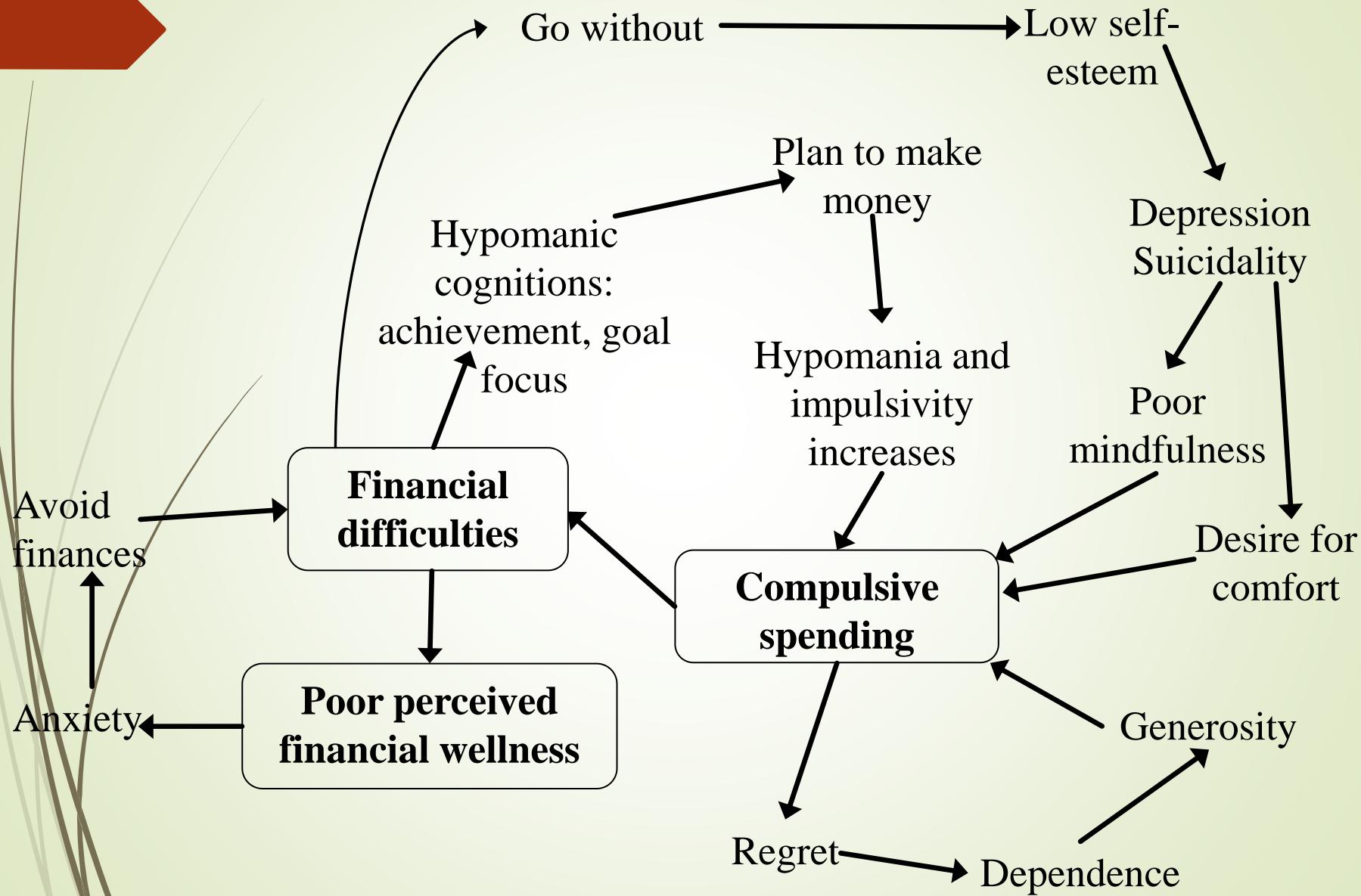
# In Students: A Vicious Cycle



# Bipolar: Timeline with Mood Changes



# Bipolar and Money: Model

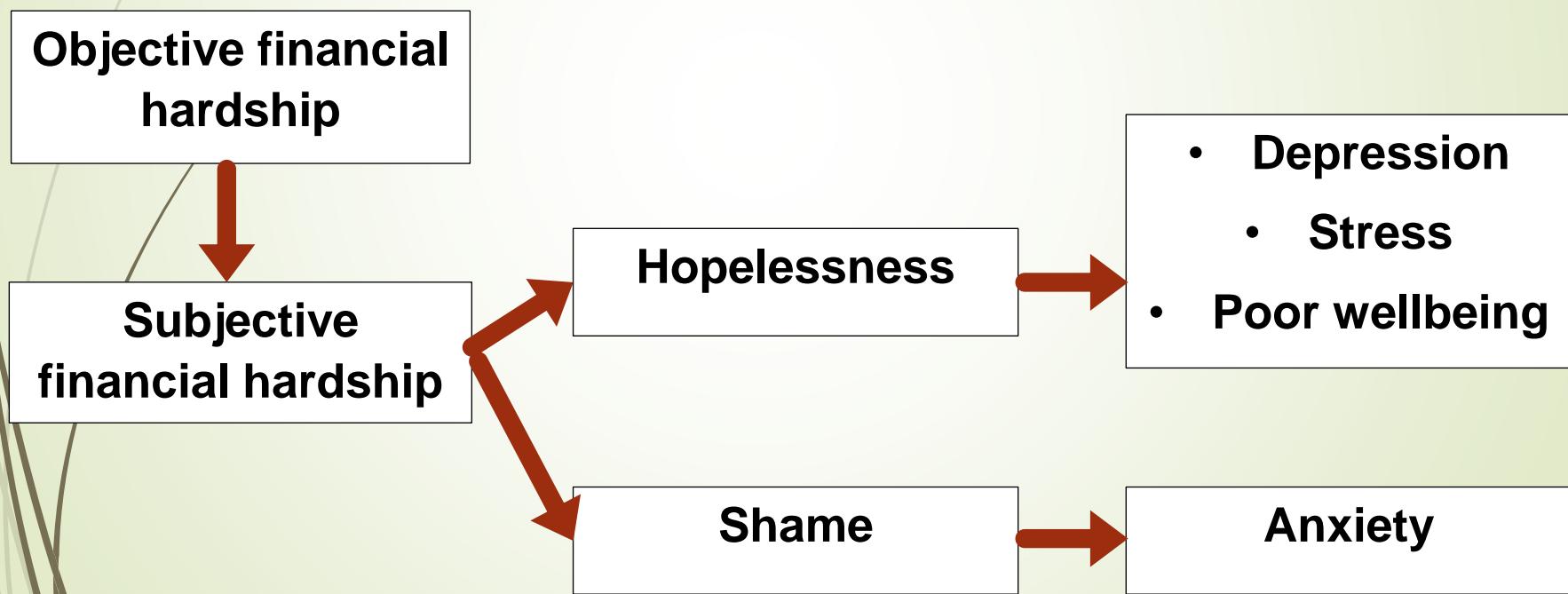


# Psychological Mechanisms

- 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

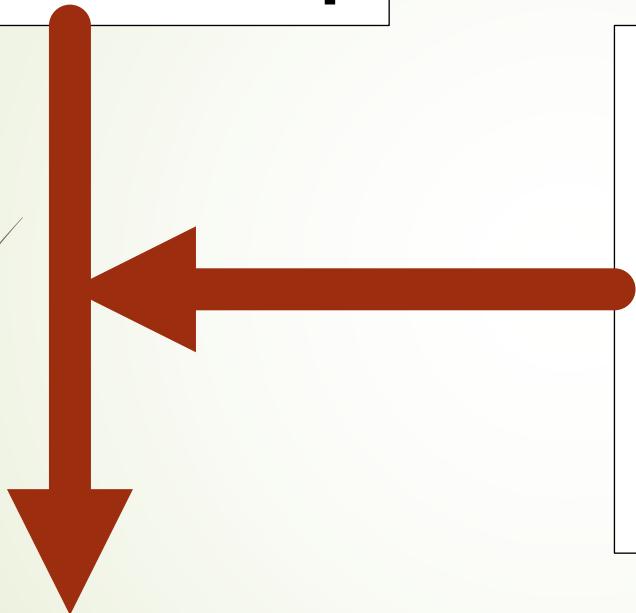
- Frankham et al (2020):
- Subjective (stress/worry about finances) more important than objective measures of finances (e.g. amount debt).



# Psychological Mechanisms

Frankham et al (2020): Review of research

**Objective  
financial hardship**



**Poor mental  
health**

## **Protective factors:**

- **Self-Esteem**
- **Personal Agency**
- **Active Coping**

# 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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