Managing money and mental health

Key points

- Somebody who manages their money well (referred to in our research as a financially capable person) has the skills, knowledge and confidence to make informed decisions about their finances, and knows when and where to access help.

- Moving from low to average financial capability increases psychological well-being by 5.6 per cent and decreases the likelihood of suffering from anxiety or depression by 15 per cent.¹

- The Money Advice Service offers a range of free and impartial financial resources for mental health service users, their carers and professionals.

This Briefing aims to raise awareness among mental health providers and current and future commissioners of the benefits that financial management skills have on building resilience and improving mental health and well-being. It introduces the importance of money management, illustrates its links with mental health and identifies the benefits for mental health service users and the wider health and social care community. This is all cited in the broader mental health and personalisation of care policy context.

Policy context

Building people’s ability to manage their money and prevent crisis debt situations is critical as there is a well-researched and understood connection between debt and mental health. Managing money is an important life skill and enables a preventative approach to mitigate the possible detrimental impact of poor financial management on health and well-being. This approach was recognised in New Horizons and the Marmot Review of Health Inequalities. As health policy continues to develop, the personalisation of care agenda remains an area where financial control and money management are of considerable importance not just in facilitating the receipt of appropriate care and support but also in ensuring that mental health and well-being are not undermined. Understanding the money management implications will be critical not just for individuals but also for health and social care professionals.

Understanding financial management in the UK population

The Financial Services Authority (FSA) published a baseline survey in 2006² which showed that many
people are poorly equipped to plan ahead and lack the ability to make sound choices between the financial products and services available to them. In particular, the survey showed that:

- large numbers of people, from across all sections of society, are not taking basic steps to plan ahead. For example, they are not saving sufficiently for their retirement or putting money aside for a rainy day.

- the problem of over-indebtedness is not that it affects a large proportion of the population, but that when it strikes it is often severe, and that many more people may find themselves in trouble in an economic downturn.

- many people are taking on financial risks without realising it, because they struggle to choose products that truly meet their needs.

- the under-40s, on whom some of the greatest demands are now placed, are typically much worse at managing their money than their elders, even allowing for their generally lower levels of income and experience in dealing with financial institutions.

While a large majority of people are capable of making ends meet (Figure 1), the less capable ‘tail’ is long. This indicates that those people who are less capable do have financial problems and can struggle to make ends meet.

The majority of people are reasonably capable at keeping track of their finances (Figure 2). Yet, again, the less capable tail is long.

The inability to choose an appropriate product for their needs (Figure 3) appears to be related to the large amount of choice, the difficulty in making clear comparisons and concerns about making the wrong decision.

The FSA survey showed that over a three-year period nearly 30 per cent of people had experienced a large and unexpected drop in income and this varies little by the income or educational levels. While over 20 per cent had faced a large expense (one month’s income or more) 70 per cent have made no personal provision to face a drop in income (Figure 4). This finding is particularly relevant in a period of economic uncertainty when unplanned transitions, whether loss of job, change of job or increased responsibility, lead to increased pressure and a potential strain on resources. The mental health charity Rethink was expecting to see a spectrum of mental health issues as a result of this.
management skills improves psychological well-being and life satisfaction and decreases the risk of anxiety and depression. The research demonstrated the importance of improving such skills as a way of building resilience and ensuring a preventative intervention approach to enhancing individual control.

The impact of just moving someone from low to average levels of financial capability is shown in Figure 5.

Apart from this direct impact on psychological well-being and a protective factor around reducing the risk of anxiety and depression, there are a number of financial pressures on mental health service users that can be assisted by being better at managing money. National strategies around personalisation and individual budgets are leading to service users having to manage budgets. In this context, from serious relapses to stress and anxiety. And a recent survey by Mind\(^4\) revealed that 40 per cent of men are feeling worried or low because of job security, work and money.

In light of the changes in the financial environment, the Money Advice Service has developed a resource to support people at risk of or managing redundancy. The Redundancy Handbook aims to give people the information they need to regain control of their finances and move forward. It covers the key steps people can take and suggests sources of advice and support. Further information can be found at www.moneyadviceservice.org.uk/yourmoney/lifestages/redundancy.aspx

**Why do financial management and financial control matter in mental health?**

In 2009 the FSA published research which showed that increases in money management skills drive changes in psychological well-being.\(^4\) The findings showed that improving money management skills improves psychological well-being and life satisfaction and decreases the risk of anxiety and depression.
What is the Money Advice Service’s mental health strategy?

The Money Advice Service is completely independent and unbiased. It offers free, personalised and practical money advice to anyone who needs it – no matter how much or how little money they have. People can take advantage of the free support whatever their circumstances – whether they are seeking help in managing the tougher economic climate, dealing with the day-to-day, or planning for the future. It is also unique in that it is a free and unbiased nationwide service, offering support online, over the phone and face-to-face across the UK. Whilst the service has a universal preventative intervention approach, there is widespread recognition that certain groups of people need more targeted support. Therefore, a mental health strategy has been developed with three key elements:

• to align the Money Advice Service’s work on mental health to the Department of Health initiatives

• to maintain a programme of awareness raising with health and social care professionals

• to develop a suitable and appropriate suite of targeted interventions aimed at

consumers, either through money advice or other tools and resources.

The aim of the strategy is to improve the economic well-being of people with a mental health disorder who may need more targeted support. To enable the Money Advice Service to achieve this, it has an advisory group to inform the delivery of the overall strategy. The membership of the advisory group includes representatives from the Department of Health, the National Mental Health Development Unit, Mind, the Royal College of Psychiatrists and the NHS Confederation.

The Money Advice Service has also worked with a range of organisations to develop resources aimed specifically at either mental health service users or professionals. Working in partnership with the Royal College of Psychiatrists, the second edition of Final Demand was published in 2009. Aimed at health and social care professionals, it seeks to increase confidence and raise awareness of the links between mental health and debt. To date over 200,000 copies have been distributed to health and social care professionals.

Service user research

The Money Advice Service commissioned research to understand the appropriateness of the service for mental health service users, from the perspective of both service users and mental health professionals. Working with trusts in the North West and North East of England, including Northumberland, Tyne & Wear and Greater Manchester West, mental health professionals were asked if the service was useful and appropriate for their service users. Service users with diagnosis of early onset dementia, anxiety, depression, schizophrenia and bi-polar were interviewed before and after using the service. They chose whether they accessed the service either by telephone or face to face. The service user may have been accompanied or supported by a carer.

“She [the money adviser] just asked me things in a way that I was comfortable with and I could answer easily. It was just like having a chat with a friend. I get very uncomfortable sometimes because I have trouble taking information in and storing it because part of my brain just doesn’t work properly. But because she went through things quite slowly and explained everything really clearly, it stuck in my mind and that was good. If she had rushed through I wouldn’t be able to remember five minutes later... Talking about finances, I don’t want to give out too much personal information because it just really worries me. If she had said ‘What’s your date of birth?’, I would have thought why and I would have panicked, but she hasn’t done that, it’s put me at my ease.”

Service user, female, 45 years old

“It is important that service users are supported”
Managing money and mental health

The results showed that the experience was a very positive one. The service’s current format and content, used either by telephone or face to face, was seen as being suitable for people with mild to moderate mental health problems. However, people with mild ill-health predominantly chose the telephone as their preferred channel. People with moderate to severe mental health problems would benefit from the support of a professional or carer to access the service and to take action afterwards. In addition, people with moderate to severe mental ill-health frequently chose the face-to-face channel as their preferred engagement route.

Both professionals and carers welcomed the service as it answered their issues as well as those of the service user.

“‘It’s not a nice subject to talk about but it’s got to be talked about and you want to think about your family... I was a bit apprehensive coming. I didn’t know if I could get over what I wanted to say because I’m not the best talker in the world about things and I can’t keep things in my head very long. I’d forget what she said when I got outside and that’s why [service user’s trusted friend] came with me because she’s got a good head and can remember.’
Service user, female, 76 years old

“Very, very good. They told me a lot of things I didn’t know and I hadn’t heard of, which was good. I could have spoken to them all day. They also told me about some things I could do for myself. Looking after her [mother] has meant big problems for me financially. I can’t work full time. And no-one else bothers about the carers.”
Carer – mild dementia

Changing behaviour

Just providing service users with information or signposting is unlikely to lead to behavioural change or action to improve their financial position. It is therefore very important that health and social care organisations support service users in accessing services and making changes.

The Cabinet Office has published MINDSPACE, which deals with influencing behaviour through public policy. The Department of Health has also published a number of documents on changing behaviour, and public health services have had experience of behavioural economics through the use of social marketing campaigns.

All of these areas can provide examples for mental health organisations of the most effective ways of supporting service users through behavioural change. It is important that service users are supported through this process and a knowledgeable staff group would help this greatly.

Research around behavioural economics shows that certain key principles need to be addressed to promote change, including five that can be influenced by staff:

- other people’s behaviour matters
- habits are important
- people are motivated to ‘do the right thing’

“I would feel confident in signposting and that the person could follow this up independently, if they wanted to.”
Mental health social worker

“I would find this very useful myself; we have to give financial guidance as part of delivering to the needs assessments that we have done. Many people with mental ill-health get into financial difficulties. I often find myself looking things up on the internet so that I can give the right advice. I’m not a financial expert. It’s much more rounded than the guidance we get from specialist benefits advisors.”
Mental health social worker

† The use of mild, moderate and severe categorisation of people with mental ill-health has been used in this briefing. This arises from the research analysis of professionals’ and users’ views. This framework is not a clinically derived measure, but a summary framework to make it easier to address the different needs of the target group. We have therefore used a three category frame as this reflects the views and behaviour in making referrals of many of the professionals who partook in the research.
“People need to feel involved and able to effect change.”

- self-expectation influences how you behave
- people need to feel involved and able to effect change.

Staff can support service users by producing a culture and expectation of change alongside practical support. Asking people about any financial difficulties when assessing them is important, and including any agreed actions as part of the Care Programme Approach would ensure that this is followed up. Just getting people to verbally commit to making a change by a certain date, or writing down the actions they plan to take, has been shown to make the person more likely to deliver what they planned to do.

What can board members do?

Whilst the thrust of this Briefing has been around mental health services, the opportunity to access the Money Advice Service is not restricted to service users. Primary care trusts, acute hospital trusts and mental health trusts all have staff, service users and carers or relatives that may benefit from the services. Current and future commissioners should be aware of the issues and promote an effective response. In foundation trusts the membership may benefit from knowing about the Money Advice Service and this could be seen as part of the foundation trust approach to improving mental well-being.

Board members can:
- make staff aware of good money management and the links with mental health and well-being
- arrange ‘Making the most of your money’ presentations for staff in the workplace
- be confident in asking service users about financial issues
- signpost service users to appropriate money advice
- host money advice sessions
- support service users to access money advice
- support and encourage service users to take action and change
- support carers in accessing money advice
- publicise money advice availability.

For more information on the issues covered in this Briefing, contact claire.mallett@nhsconfed.org

The role of GPs

Research published by the FSA (2009) indicated that improving money management skills improves psychological well-being and life satisfaction and decreases the risk of anxiety and depression. Mental health service users may have a number of financial pressures that could be assisted by improved money management. The national strategies around personalisation and individual budgets, as well as the financial climate highlights the importance of improving money management skills and the benefits of access to free impartial financial advice.

- GPs are often a first point of contact for people presenting with both physical and mental ill health, and are therefore in a prime position to support prevention and early intervention for mental health problems associated with financial crises.
- The relationships many GPs have with their patients and communities may enable them to identify money related concerns more readily in their consultations, especially where redundancy or unemployment rates are high in the locality.
- Signposting people to financial advice services like those offered by the Money Advice Service, can empower people to take control of their finances, promote well being and prevent debt, as well as offer early intervention for those where financial issues are a contributory factor to mental health problems. These services need to be considered alongside psychological and other interventions to treat the presenting symptoms.
Further information

The Money Advice Service: www.moneyadviceservice.org.uk

The Royal College of Psychiatrists – indebtedness, financial services and mental health: research and intervention programme: www.rcpsych.ac.uk/mentalhealthinfo/debtmentalhealthcontents.aspx


References


Mental Health Network

Mental Health Network was established as part of the NHS Confederation to provide a distinct voice for mental health and learning disability service providers. We aim to improve the system for the public, patients and staff by raising the profile of mental health issues and increasing the influence of mental health and disability providers.

For further details about the work of the Mental Health Network, visit www.nhsconfed.org/mhn or email mentalhealthnetwork@nhsconfed.org
What services are available from the Money Advice Service?

The Money Advice Service provides a free and impartial service through a range of approaches:

- a website www.moneyadvice service.org.uk that provides financial guidance and comparison between products as well as access to a range of tools and resources

- a telephone advice service on 0300 500 5000

- free publications which can be downloaded from the website, or printed copies

- face-to-face sessions are available across the UK.

The Money Advice Service can also provide face-to-face sessions in health, local authority or third sector buildings. It is hoped this will assist service users to access the service as they will be visiting facilities they already know and may be accompanied by mental health staff or support workers.

Because the Money Advice Service follows a life course and life events approach, its website offers products and information that covers specific events as well as an everyday money series, including subjects such as: new parents; pensions and retirement; divorce and separation; redundancy; young people; buying a home; if things go wrong; savings and investments; everyday money; borrowing money; an easy-read guide to living independently.

Any or all of these life stages and events could apply to mental health service users.

For more information, see www.moneyadvice service.org.uk