

Unpacking The Relationship Between Mental Health & Financial Health



Our mission is to improve financial health for all.

The Financial Health Network is a trusted resource for business leaders, policymakers, and innovators united in a mission to improve the financial health of their customers, employees, and communities. We envision a future where all people, especially the most vulnerable, have the financial systems they need to be resilient and thrive.





Financial Health

comes about when your financial systems, including the workplace, help you build resilience and pursue opportunities.



The State of FinHealth In The US

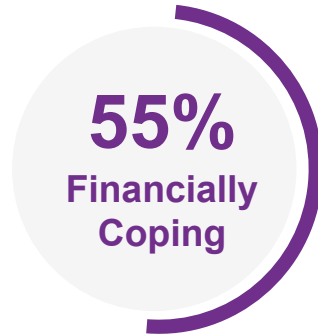
Eight Indicators of Financial Health



Less Than One-Third of US Adults Are Financially Healthy



37 million people



139 million people



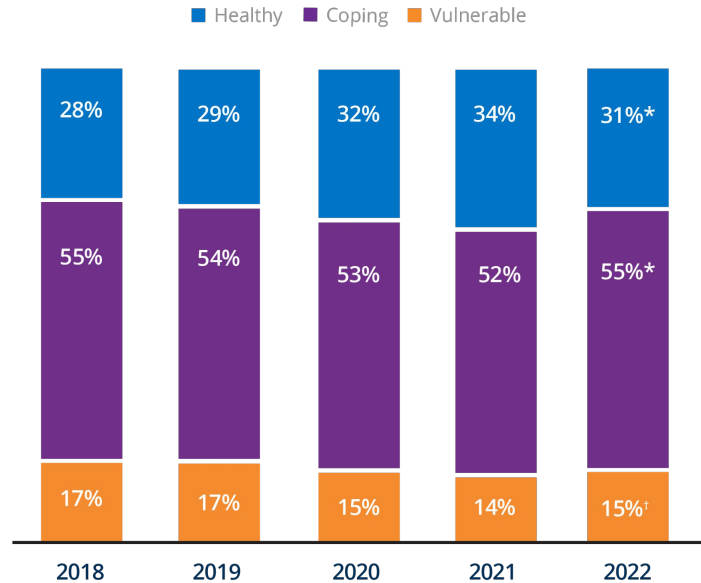
78 million people

Note: Percentages are rounded to the nearest integer and, as a result, do not sum to 100%.



Financial Health Declined for the First Time Since 2018

Percentage of people categorized by financial health tier (2018-22).



* Statistically significant vs. 2021 ($p < 0.05$).

† Statistically significant vs. 2019, the last survey conducted before the COVID-19 pandemic ($p < 0.05$).

Note: Figures are rounded to the nearest integer and, as a result, may not sum to 100%.



Declines Occurred Across Financial Health Indicators

Change in % pts (2021-22).

1. Spend less than income

-6* pts ↓

5. Manageable debt

1 pt ↑

2. Pay bills on time

-1 pt ↓

6. Prime credit score

1 pt ↑

3. Sufficient liquid savings

-3* pts ↓

7. Appropriate insurance

-1 pt ↓

4. Sufficient long-term savings

-3* pts ↓

8. Plan ahead financially

0 pt ↔

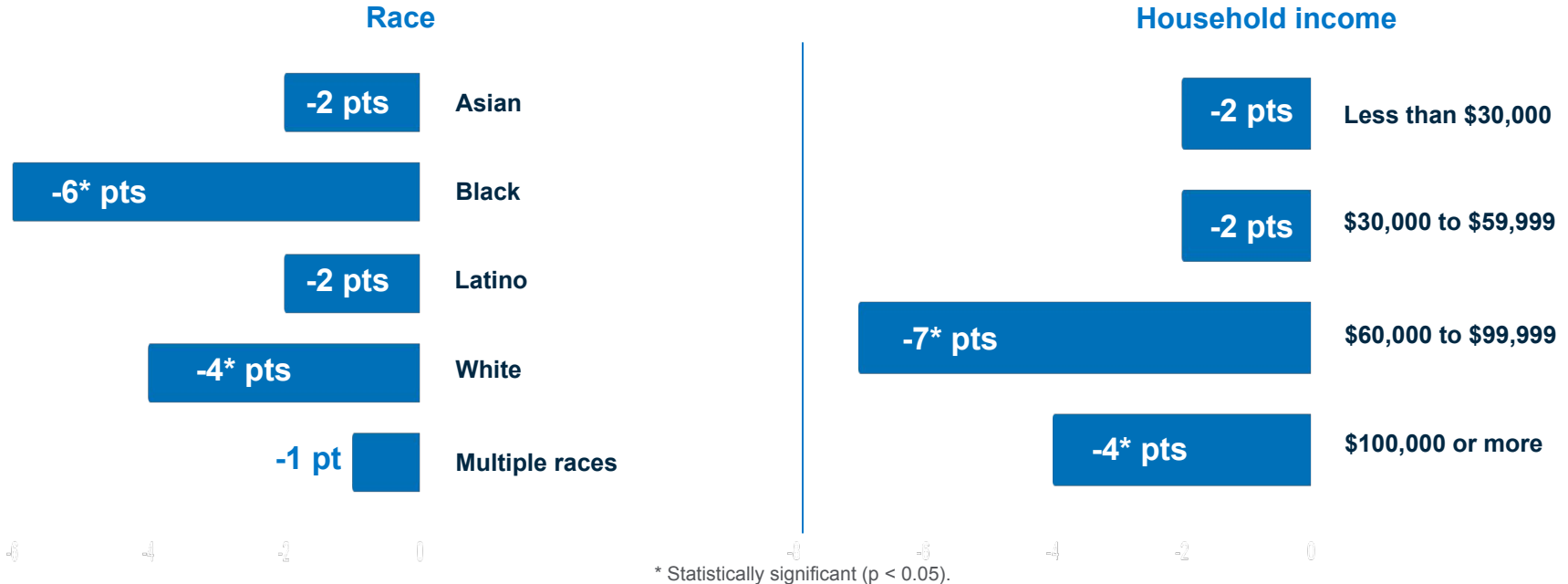
* Statistically significant ($p < 0.05$).

Note: Figures are rounded to the nearest integer.



Financial Health Declined Across Many Groups

Percentage point change in people considered Financially Healthy, by demographic/socioeconomic group (2021-22).

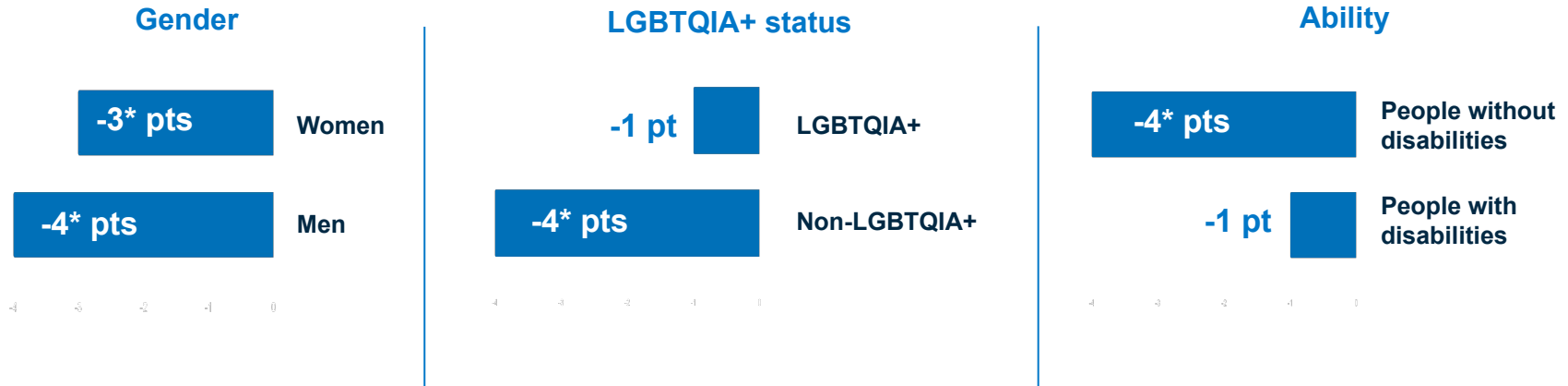


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Financial Health Declined Across Many Groups

Percentage point change in people considered Financially Healthy, by demographic group (2021-22).



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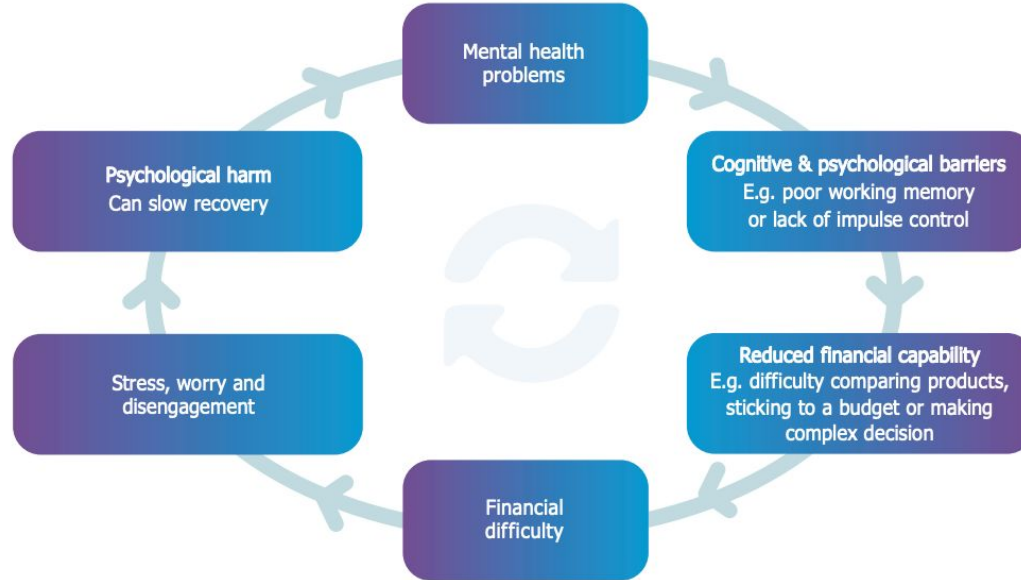


The Debt, Stress, Mental Health Cycle



Money and Mental Health Cycle

Figure 1: The Cycle of Money and Mental Health Issues



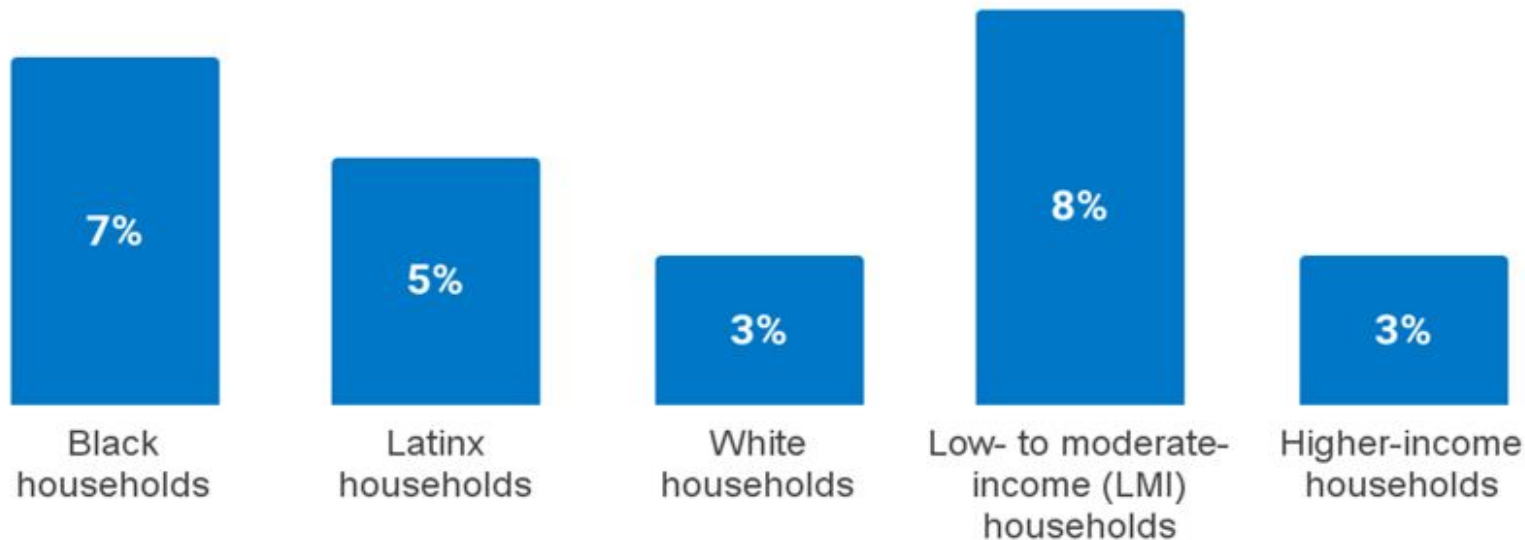
Source: Money and Mental Healthy Policy Institute



Household Spending on Interest and Fees

Financially Vulnerable households spend **14%** of their household income on interest and fees, compared with **1%** for the **Financially Healthy**.

Percentage of Household Income Spent, by Race/Ethnicity and Income



Source: [FinHealth Spend Report 2022](#)

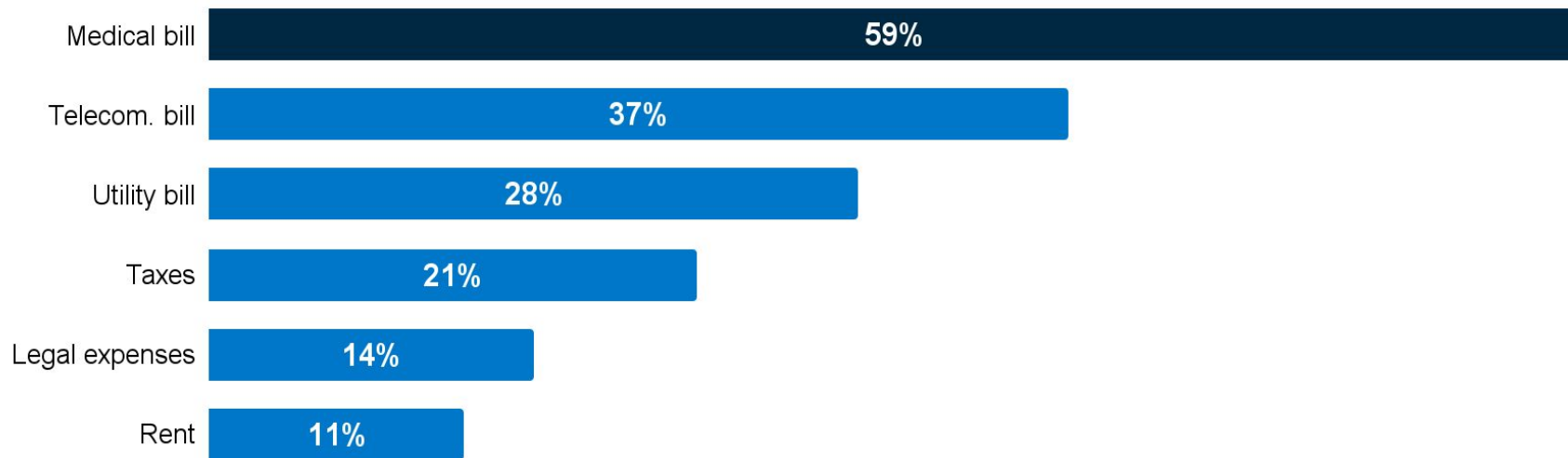
The Health-Wealth Connection

Experience	Financially Healthy	Financially Coping	Financially Vulnerable
Had a major medical expense	8%	9%	16%
Had a major health change or physical disability	6%	9%	19%
Had trouble paying a medical bill	1%	13%	46%
Often or sometimes did not get healthcare because of inability to afford it	0%	12%	40%
Often or sometimes stopped taking medication or took less due to cost	1%	8%	28%
High or moderate stress because of finances	8%	32%	74%
Experienced a disability	4%	10%	24%

Source: [Financial Health Pulse® 2022 U.S. Trends Report](#)

Medical Debt Plagues Many Households

Types of Past-Due Bills Among Consumers Contacted by Debt Collectors



Sources: [Health Care Costs Number One Cause of Bankruptcy for American Families](#); [Consumer Experiences with Debt Collection](#); [Debt in America: An Interactive Map](#)

Burden of Medical Debt

Typical debts are not large.



Many struggle with unexpected expenses.

The typical debt amount owed in the U.S. is between **\$400-\$800**

35% of Americans would have difficulty paying an unexpected expense of **\$400**

62% of medical collections are under **\$490**

Urban Institute, [Debt in America](#), Interactive Website
Batty M et al, "Unlike Medical Spending, Medical Bills In Collections Decrease With Patients' Age," [Health Affairs](#), 2018.
Kluender et al "Medical Debt in the US, 2009-2020." JAMA July 2020.
CFPB [Medical Debt Burden in the United States](#) Feb 2022

Federal Reserve, [Report on the Economic Well-being of US Households in 2020](#), May 2021.

FHN Pulse Data



The Debt, Stress, Mental Health Cycle



Financial Stress By Generation

Generation	Top financial stressors for each Generation	Share that say it's a significant source of stress
Silent generation (77+)	Economy	55%
Baby boomers (58-76)	Economy	54%
Generation X (44-57)	Money	68%
Millennials (26-43)	Money	81%
Generation Z (18-25)	Money	82%

Financial Stress By Race

Race/ethnicity	Top financial stressors for each race/ethnicity	Share that say it's a significant source of stress
White	Money, economy (tie)	63% each
Black	Money	67%
Latino	Money	75%
Asian	Economy	60%

Source: American Psychological Association



Financial Stress By Educational Level

Highest degree obtained	Stressed or neutral*	Not stressed
High school or less	74%	27%
Some college	73%	27%
Bachelor's degree	65%	35%
Post-graduate degree	59%	41%

**The study asked respondents to rate their financial stress on a scale of one to seven. A rating of four is considered neutral by the study, and ratings above four are considered stressed.*

*** Totals may not add up to 100% due to rounding and the table not factoring in those who indicated they did not know or preferred not to answer.*

The Debt, Stress, Mental Health Cycle



Impact of Debt on Health and Mental Health



Severe debt is related to higher rates of depression, suicide or suicide attempt, alcohol and drug dependence, and psychiatric disorders

- 73% of Americans rank finances as their No. 1 stress in life
- People with high financial anxiety are more likely to have past-due healthcare bills
- Financial stress adversely impacts physical and mental health
 - 58% believe it affects their physical health; 65% believe it impacts their mental health
- More debt - especially unsecured debt - is highly correlated to negative health and mental health outcomes



Sources: Captal One and Credit Wise [survey](#); Financial Health Network, 2020 [Financial Health Pulse](#); Richardson et al, [Clinical Psychology Review](#); Hassler et al, [GWU](#); Stipica Mudrazija and Barbara A. Butrica, [Center for Retirement and Research](#)

The State of Mental Health in the US

1 in 5

Americans will experience a mental illness in a given year

50+%

Will be diagnosed with a mental illness or disorder at some point in their lifetime

1 in 5

Children, currently or at some point in their life, have had a debilitating mental illness

1 in 25

Americans lives with a serious mental health illness



Paradigm Shift:

*Employers and Financial Institutions Opportunity
To Address The Mental Health Crisis*

Three Reasons Why Workplaces Have the MOST Influence Over Financial Health



1

The Basic Inputs of Financial Health

No doubt the workplace can impact mental health, but the core inputs of financial health originate from the workplace

2

The Power of Behavioral Finance

Defaults and nudges are common in financial health programs, harder (if not impossible) to replicate in mental health benefits

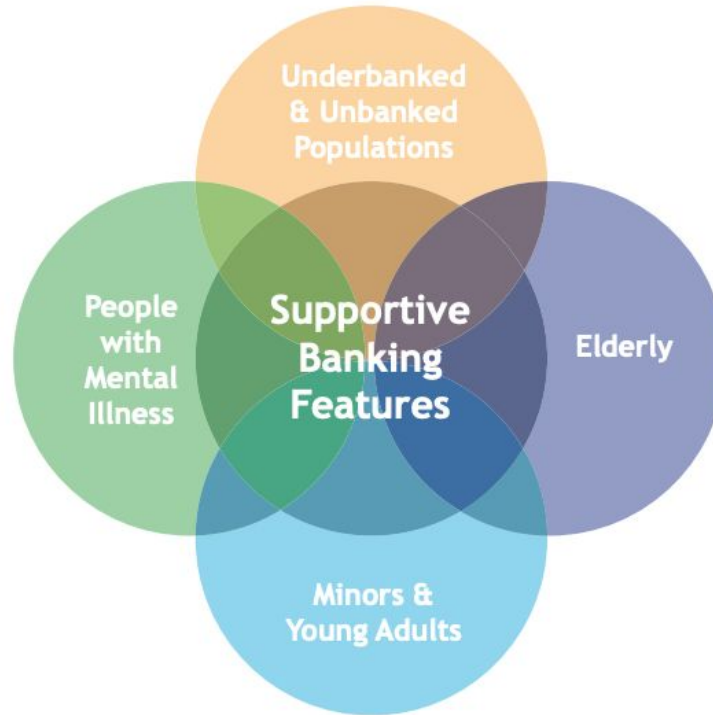
3

Deaths of Despair

The evidence base for the impact of financial despair's connection to premature death is established and growing, and it may be the key to reducing mental health challenges and improving human flourishing and wellbeing



A Paradigm for Supportive Banking



Source: [Banking for All: Why Financial Institutions Need to Offer Supportive Banking Features](#), Yale University (2019)



Emerging Breakthroughs In Mental Health Treatment

Close to FDA approval for psychedelic assisted therapy, and employers are starting to explore coverage and cost

MDMA-Assisted-Therapy

In one study, 68% of people with PTSD no longer met the criteria for PTSD at a 12 month follow up.

Psilocybin-Assisted-Therapy

Researchers at Johns Hopkins University have found psilocybin-assisted-therapy can “substantially reduce” and lead to “significant and durable improvements in depression.”



Sources: [MDMA-Assisted Therapy for Severe PTSD: a randomized, double-blind, placebo controlled phase 3 study](#); [Psilocybin Treatment For Major Depression Effective Up To One Year For Most Patients](#)



Thank You

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