

# Money and mental health

SOCIAL RESEARCH REPORT

AUGUST 2022



HEARTWARD

STRATEGIC

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This paper uses unit record data from the Household Income and Labour Dynamics in Australia (HILDA) survey conducted by the Australian Government Department of Social Services (DSS). The findings and views reported in this paper, however, are those of the authors and should not be attributed to the Australian Government, DSS, or any of DSS's contractors or partners. DOI: 10.26193/IYBXHM.

# Executive summary

## RESEARCH CONTEXT AND OBJECTIVES

Heartward Strategic was commissioned by ASIC in collaboration with Beyond Blue to undertake foundational social research to:

- establish the relationships between financial wellbeing and mental health that exist within the Australian context
- deepen understanding of these relationships, particularly regarding how financial wellbeing and mental health influence each other, how they impact Australians, and the factors that determine the strength of these impacts
- identify life experiences and characteristics that increase risk of negative impacts
- provide suggestions on ways in which financial wellbeing and mental health can be supported.

## RESEARCH METHODOLOGY

The research was completed between August 2020 and September 2021, using a mixed-methods approach designed to validate and build on existing understanding, expertise and data. The research approach incorporated five stages operating iteratively, including:

- a review of published literature
- 10 interviews with expert stakeholders, people working in relevant sectors, and a consumer representative
- secondary analysis of an existing longitudinal national data set– the Household, Income and Labour Dynamics in Australia (HILDA) survey dataset<sup>1</sup>
- primary research with people with lived experience of financial and mental health challenges, including completion of a short online task by 50 people, from which 20 were selected to participate in narrative interviews
- two collaborative workshops with stakeholders working in the financial and mental health sectors.

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<sup>1</sup> Analyses were undertaken on Release 18.0 V2 (published April 2020), which included survey waves 1 to 18 (with the last wave of data collected in 2018-19). Note, the fieldwork for this release predated the COVID-19 pandemic.

## RESEARCH FINDINGS

### The links between money and mental health

Financial challenges and mental health challenges are common and frequently experienced alongside each other. Analysis of HILDA data shows 14% of Australian adults experienced both financial hardship and mental health symptoms at any time over the five years from 2014 to 2019.

There is substantial evidence that financial wellbeing and mental health are connected. This was confirmed through analysis of the existing literature and HILDA data and supported by research participants (both people with lived experience and practitioners working to support impacted Australians).

Analysis of HILDA data shows that people experiencing financial challenges are twice as likely to be experiencing mental health challenges as those who are not experiencing financial challenges. Similarly, people experiencing mental health challenges are twice as likely as those who are not to also be experiencing financial challenges. Similar relationships exist between other financial indicators and mental health, including:

- major worsening of finances
- unpaid bills
- lack of emergency funds
- socio-economic disadvantage
- material deprivation
- poorer perceived financial prosperity.

Financial challenges can cause a decline in mental health, and mental health challenges can cause a decline in financial wellbeing.

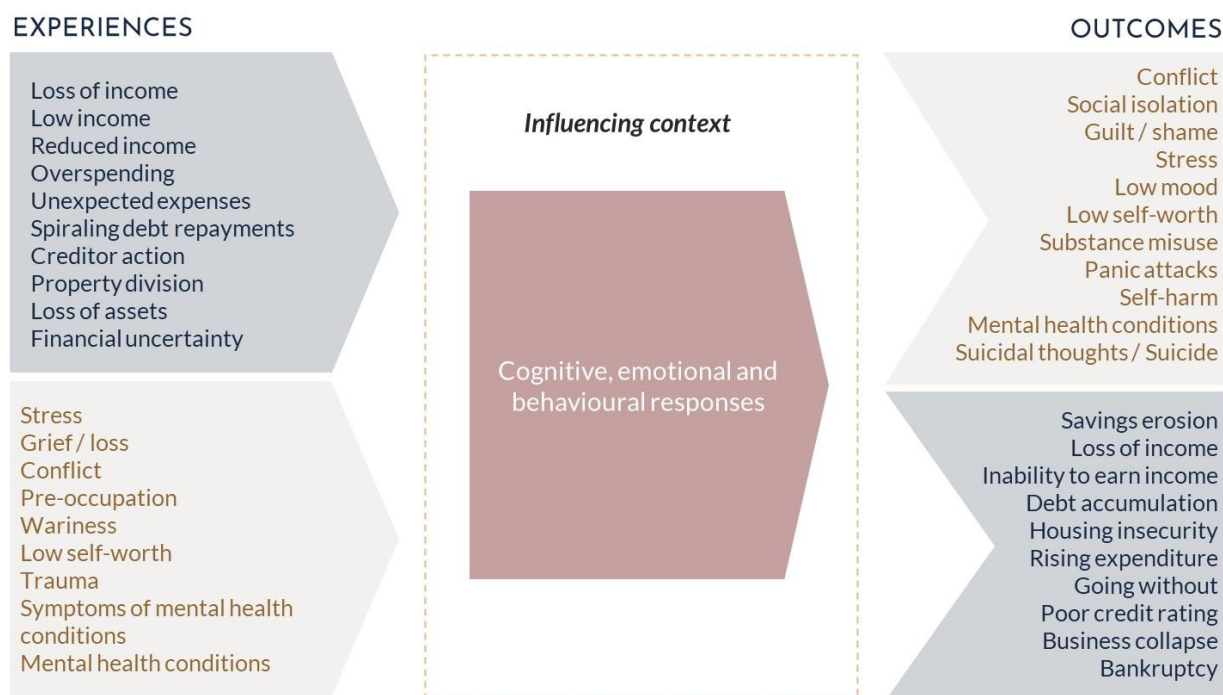
The negative impacts of financial and mental health challenges can accumulate over time, and can be reciprocally reinforcing, leading to downward spirals and entrenched issues. Downward spirals can be unexpected, and can progress more quickly and be more difficult to halt or reverse than the people experiencing them initially anticipate.

A positive relationship also exists between financial wellbeing and mental health, supporting resilience and recovery. Financial wellbeing is significantly associated with mental health in the literature and the HILDA data, and they are shown to have cumulatively positive impacts on each other over time.

### How money and mental health influence each other

People respond to financial and mental health challenges differently. Experiences related to financial wellbeing and mental health trigger cognitive, emotional and behavioural responses in people, which have a range of financial and mental health outcomes. This process, and examples of experiences and outcomes are depicted in Figure 1.

**Figure 1. Examples of financial and mental health experiences and outcomes observed in the research**



There are many influences that determine the cognitive, emotional and behavioural responses to financial and mental health experiences, including socio-cultural, personal and structural influences. Particularly strong influences identified through this research are listed and explained below.

- **Relationships, social support and community connection**

The existence and quality of close interpersonal relationships, social support and community connection are demonstrated in this research to be causes and consequences of financial and mental health challenges, as well as a determinant of financial wellbeing and mental health. People who feel they have no one to lean on in times of trouble are significantly more likely to experience financial and mental health challenges. Though community participation is important for mental health, withdrawal from community and social interactions is often reported to be one of the first responses to financial challenges.

- **Societal beliefs that prompt shame and stigma**

The research suggests that the way Australians talk about financial and mental health challenges can cause people to feel stigmatised. Research participants perceived a dominant narrative of personal responsibility in Australia, in which financial wellbeing is seen as being indicative of an individual's success, and debts and perceived poor handling of finances are seen as personal failings. This narrative can lead to shame, anticipated and perceived stigmatised responses from service providers, fear, denial and behaviours that make financial and mental health challenges worse. Such behaviours can include people withholding information about their financial wellbeing and mental health (including from their closest loved ones) and avoiding or delaying help-seeking.

- **Adverse life events**

Having past negative life events is strongly associated with experiencing financial and mental health challenges together. In the HILDA data, those indicating that they had experienced financial hardship as well as symptoms indicating a likely mental health condition, were found to have experienced significantly more negative life events over the prior decade than others.

- **Physical health**

Physical health issues can be both a cause and consequence of financial and mental health challenges. Some lived experience participants in this research indicated their financial and mental health challenges were caused by an injury, disability or health issue which had been costly to manage and had impacted their ability to work and function at the same level that they had previously. Ongoing cognitive and motivational deficits from health issues themselves and from treatments and medication can also make it difficult to make decisions and manage money day-to-day. Financial and/or mental health challenges can also take a toll on physical health. There is an established link between emotional stress, restricted financial resources and physical symptoms such as headaches, insomnia and the development of chronic illness.

- **Psychological characteristics and capabilities**

A range of psychological characteristics and capabilities (for example personal agency, perceived competence and self-efficacy) are protective and may act as a 'buffer' preserving mental health despite the effects of financial challenges and stress. This buffer can be vulnerable to repeated challenges and can lead to behavioural patterns and responses that increase the likelihood of further financial and mental health challenges.

- **Unequal access to supports and overall social inequities**

Social inequity can exacerbate the negative impacts of financial hardship and mental health on each other. Access to services and opportunities is not evenly distributed across societies, often meaning those with the greatest need face the greatest barriers to support, determining outcomes. Comparison to others with a different level of material advantage in societies with large income inequality can also prompt shame, self-recrimination and inhibit help-seeking, impacting mental health.

## **Experiences and characteristics that increase risk of negative outcomes**

Some personal life events (for example, life transitions, relationship changes and traumatic events) directly impact financial wellbeing and mental health simultaneously, placing people at increased risk of negative outcomes in both spheres. People from a broad range of backgrounds, even those with previously stable financial wellbeing and mental health, can be subject to the dual impact of these life events, and their outcomes can be associated with feelings of guilt, personal responsibility and shame.

There are also large-scale, community-wide challenging events that impact both financial wellbeing and mental health. The key differences between these and personal events are that large-scale events negatively impact whole communities and they can also engender a supportive sense of solidarity. Such events identified in the research include natural disasters, public health crises, economic downturn or disasters, and geopolitical crises.

The impacts of challenging personal and community-wide life events on financial wellbeing and mental health are cumulative, with greater impacts experienced as the number of challenging life events experienced increases.

Several groups in the community are also more susceptible to experiencing negative impacts from financial and mental health challenges, including young adults, women, First Nations peoples, people experiencing intersectional vulnerability and small business owners.

## Supporting wellbeing

This research identifies ‘turning points’ in experiences that can be the catalyst for improvements in financial wellbeing and/or mental health, including intervention by friends and family, service providers and employers. Participants often reported turning points occurring after ‘rock bottom’ moments and identified ‘upward spirals’ occurring afterwards, in which positive improvements in financial circumstances led to positive improvements in mental health and vice versa.

There is evidence from this research that those experiencing financial and mental health challenges typically engage in problem-solving multiple times before reaching crisis points, with mixed success. There are a number of reasons why initial help-seeking can be unsuccessful or ineffective, including the unsuitable or inflexible design of supports, lack of awareness of suitable supports, and an overreliance on short-term solutions that defer problems or create later additional issues. Setbacks in help-seeking wear people down, prompting increased feelings of shame and inhibiting further help-seeking.

This research also reveals a range of personal, situational and structural barriers to earlier and more effective intervention. These include overconfidence in the ability of personal resources or other supports to overcome challenges quickly, too-easy access to credit products relative to supports addressing root causes of challenges, ineffective communication channels with financial institutions and the sometimes-siloed nature of supports.

Stakeholders in this research noted opportunities to build on positive interventions already in place and to design additional supports across service design, service provision, education and communication, cross-sector collaboration and referral, and systemic, policy and regulatory changes. These stakeholder-suggested opportunities are detailed in Table 2 (p.59) of this report.

The research findings have deepened understanding of the relationship between the concepts of financial wellbeing and mental health, in particular, why and how experiences in one area lead to outcomes in the other. Drawing this understanding together with validated theories<sup>2</sup> has enabled the creation of a lens, represented in Figure 2, which can:

- illuminate the relationships between financial wellbeing and mental health
- help identify people at risk or needing support
- assess the efficacy of existing products, services and supports
- assist the design of more effective financial wellbeing and mental health support options.

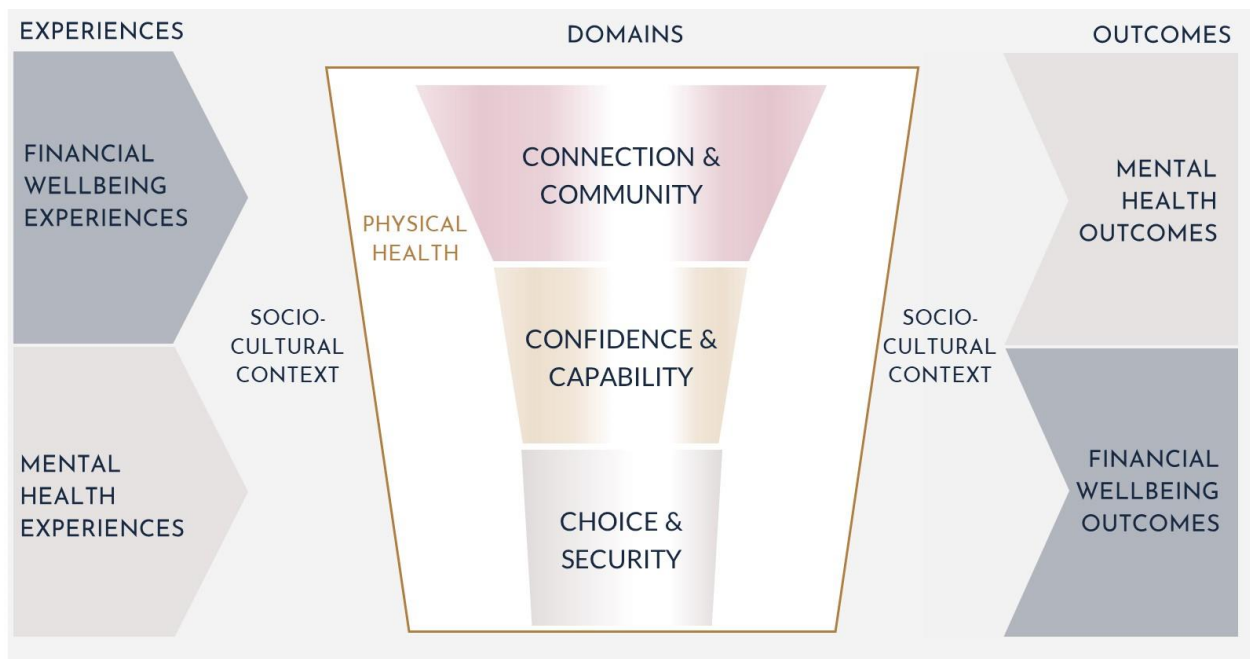
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<sup>2</sup>Self-determination theory and polyvagal theory. The process of developing the lens is described in more detailed in the section ‘A lens to inform prevention and recovery supports’.



This lens, summarised in Figure 2, illustrates how the factors influencing financial wellbeing and mental health trigger cognitive, emotional and behavioural responses, which have financial and mental health consequences. These influencing factors can be grouped into three domains ('connection and community', 'confidence and capability', and 'security and choice') based on the fundamental human needs they meet and automatic response patterns they trigger. These domains also sit within a sociocultural and physical health context. The three domains are associated with particular positive and negative influences, and characteristic thoughts, feelings and behaviours which can be used as indicators of potential financial and mental health challenges. These are summarised in Figure 2 and detailed further in Tables 3 to 5, starting on page 65 of this report.

**Figure 2. Lens illustrating how financial wellbeing and mental health influence each other**



## OBSERVATIONS AND OPPORTUNITIES

### Observations

This research builds on the solid foundation of literature establishing the close relationship between financial wellbeing and mental health and extends this body of work by illuminating these issues in the Australian context. It stresses the reciprocal relationship between financial wellbeing and mental health, the spiralling nature of their downward and upward effects on each other, and the cumulative impacts of challenges in both areas. The findings of this research indicate there is a collective responsibility and opportunity, regardless of sector, to continue to support financial wellbeing and mental health.

This research also presents a new lens through which influencing factors, that determine how and to what extent financial and mental health outcomes follow from experiences, can be viewed and understood. It suggests that resilience in the face of challenge can be bolstered through efforts targeted at the domains of 'connection and community', 'confidence and capability' and 'choice and security', with positive change in more foundational domains (notably 'choice and security') flowing on to improvements in other domains.

## Opportunities

The findings from this research suggest there are opportunities to continue to build on effective activities currently being undertaken in both the mental health and financial wellbeing sectors, by:

1. **Understanding and building on the links** – Continuing to promote awareness of the close relationship between financial wellbeing and mental health, and the importance of these elements for the overall health and wellbeing of all Australians.
2. **Challenging stigma** – Further challenging stigmatising attitudes associated with mental health, financial challenge and what it means to be ‘successful’ and encourage open communication about financial and mental health challenges.
3. **Considering the whole person** – Taking into account the cognitive, emotional and behavioural impacts of financial and mental health challenges and encourage the development of resilient behaviours in the face of unexpected life and community events.
4. **Searching out where people gather** – Exploring settings-based initiatives that can be used for prevention and early intervention when early indicators are observed, for example in workplaces, and educational, health and community settings.
5. **Applying a novel lens to support understanding and intervention** – When designing or improving products and services, there is an opportunity for support and service providers to apply the novel lens proposed in this report. Examples of how this lens can be applied to products, services and supports so they promote ‘connection and community’, ‘confidence and capability’, and ‘choice and security’ are provided on page 69.

# Introduction

**The Australian Securities and Investments Commission (ASIC), in collaboration with Beyond Blue, commissioned Heartward Strategic to undertake foundational social research to establish and deepen understanding of the relationships between financial wellbeing and mental health in Australia.**

## RESEARCH CONTEXT

As Australia's regulator for financial services, corporate, markets and consumer credit, the Australian Securities and Investments Commission (ASIC) works to protect consumers in the Australian financial system, supporting them to make confident and informed decisions. In response to an emerging focus in Australia and overseas on the links between financial wellbeing and mental health (and their implications for service design, conduct and consumer decision-making), ASIC partnered with Australia's most well-known and visited mental health organisation, Beyond Blue, to further explore these issues in an Australian context.

Better understanding the relationship between financial wellbeing and mental health is more pressing than ever as Australia lives through the COVID-19 global pandemic, which has affected the health, livelihoods and mental health of many Australians. Understanding how to better support financial wellbeing and mental health can shine a light on ways to halt or mitigate the ongoing impacts of the pandemic on Australians, and bolster resilience and wellbeing beyond it.

Heartward Strategic was commissioned to undertake foundational social research to establish and deepen understanding of the relationships between financial wellbeing and mental health in Australia.

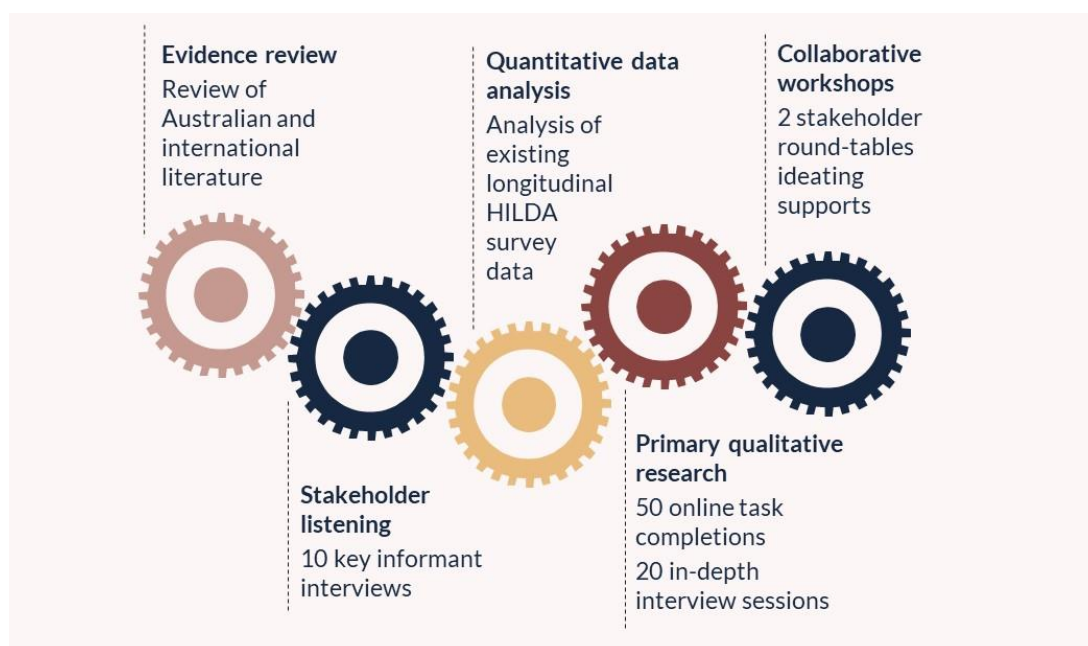
This social research program sought to:

- establish the relationships between financial wellbeing and mental health that exist within the Australian context
- deepen understanding of these relationships, particularly regarding how financial wellbeing and mental health influence each other, how they impact Australians, and the factors that determine the strength of these impacts
- identify life experiences and characteristics that increase risk of negative impacts
- provide guidance on ways in which financial wellbeing and mental health can be supported.

## RESEARCH APPROACH

The research adopted a mixed-methods approach designed to validate and build on existing understanding, expertise and data. The research approach incorporated multiple stages operating iteratively, such that the learnings from each stage were used to progressively inform the structure and design of later stages. This design aimed to minimise duplication of effort and minimise harm to potentially vulnerable audiences by ensuring their direct involvement was focused on gaining insight based on lived experience that could not come from other sources.

Figure 3 shows the five research methods used. Each of these is explained further below.

**Figure 3. Research methods**

## Evidence review

An evidence review was the starting point for mapping the relationships between financial wellbeing and mental health. It included peer-reviewed papers based on primary and secondary research and meta-analyses, grey literature and other reports covering relevant issues from both Australian and international literature.

The collation and review of articles encompassed references identified by ASIC, Beyond Blue, and other stakeholders participating in stakeholder listening interviews (described below), as well as a comprehensive search via academic databases and online search engines (including ProQuest, JSTOR, PubMed and Google Scholar), limited where possible to sources published within the last 10 years. Heartward also sourced relevant key papers referred to in reports and relied upon in papers. Each article was reviewed and summarised, paying particular attention to details of specific links between factors of relevance. The literature presenting the strongest evidence and with the greatest bearing on the research questions of interest was analysed and synthesised into the report findings. This report references 75 individual sources, indicated in footnotes and listed in the References section on page 81.

## Stakeholder listening

A stakeholder listening exercise formed the second stage of the research program and provided an efficient means of gathering a range of views and relevant insights from expert and experienced stakeholders, including people working in the financial or mental health sectors and at the intersection of these sectors.

Ten 60-minute interviews were conducted by telephone or video meeting during September and October 2020. Participants in these interviews included people working in policy, program development and advocacy, crisis counselling, financial counselling, life counselling, small business mentoring, government services and social support. The interviews also included a consumer representative with relevant lived experience.

## Secondary analysis of the HILDA longitudinal dataset

The third research stage involved analysis of an existing national data set– the Household, Income and Labour Dynamics in Australia (HILDA) survey dataset – for insights about the relationships between financial wellbeing and mental health variables. This nationally representative household-based longitudinal survey has been gathering data on the lives of more than 17,000 Australian residents annually since 2001, with the aim of following them over the course of their lives. This survey explores family dynamics, economic and subjective well-being, and labour market dynamics.

The HILDA dataset provided a robust source of quantitative data that could be mined to reveal statistically significant linkages between financial and mental health characteristics, without having to conduct large-scale quantitative research among vulnerable people.

Analyses were undertaken using the most recently available HILDA data release at the time: Release 18.0 V2 (published April 2020), which included survey waves 1 to 18 (with the last wave of data collected in 2018-19). To note, the fieldwork for this release predated the COVID-19 pandemic.

Relevant survey questions from the most recent survey waves were included in data analyses and are further detailed in Appendix A.

## Primary research exploring lived experience

Primary qualitative research was conducted with people with lived experience of financial and mental health challenges. This research stage aimed to deepen and extend understanding from the other stages of the research program by:

- exploring how the relationship between financial wellbeing and mental health is experienced by individuals over time, illuminating the real-life impacts that challenges in these areas have on individuals
- obtaining greater insight into the processes through which financial wellbeing and mental health influence each other.

The primary research included adults aged 18 and over located across Australia who self-identified that any time in the last 10 years:

- their financial circumstances had an impact on their mental health and/or
- their mental health had an impact on their financial circumstances.

Data was collected in August 2021 via two methods:

1. 50 eligible participants, chosen from an online research panel to represent a broad spread of the population, completed a short online task taking no more than 12-15 minutes. This task included closed and open-ended questions designed to gather information about their experiences and the impacts of financial and/or mental health challenges. It was designed to enable selection of a variety of participants and experiences for inclusion in qualitative interviews. Participants who completed this task received a \$20 online gift voucher.
2. From the responses to the online task, 20 individuals were selected to participate in a 75-minute narrative in-depth interview conducted via telephone or video meeting. A broad range of participants were included in the primary research to represent a breadth of experiences and

a spread of demographic characteristics and life stages. Four participants elected to be interviewed with a partner, resulting in 24 participants overall in these interviews. Participants who completed these interviews received a \$120 online gift voucher if interviewed alone and those interviewed with a partner received one \$80 online gift voucher each. The breakdown of the demographic characteristics of participants completing interviews is detailed in Appendix A, along with a list of topics covered in these interviews.

Vulnerable participants were protected from risk of harm by excluding from the primary research those likely to be currently in crisis or experiencing severe unresolved financial challenges and/or mental ill-health, and those who indicated that talking about their experiences would be difficult or upsetting.

## Collaborative workshops

The final stage of research fieldwork comprised two collaborative workshops held with a range of stakeholders in September 2021. These workshops each ran for 1.5 hours. A range of mental health and financial services stakeholders and those with lived experience perspectives were invited to come together to discuss ways to improve support for Australians who are impacted by financial and mental health challenges. Ten people participated in each of these workshops, representing banking, insurance, the not-for-profit sector, industry peak bodies, advocacy bodies in mental health and consumer rights, federal government agencies, and consumers representing those with lived experience.

## Standards and ethics

All aspects of this project were conducted in line with AS ISO 20252 (the Australian Standard for Market, Opinion and Social Research), the Australian Privacy Principles and the NHMRC Australian Code for the Responsible Conduct of Research. A strict ethical protocol was developed and followed for the primary research stage, and the design and materials for this stage were reviewed and approved by the Human Research Ethics Committee operated by Bellberry Limited (Reference: 2021\_05\_533).

## THIS REPORT

This report presents a synthesis of findings from across all research components, with the following four chapters drawing together findings that answer each of the overall research questions:

- What links between financial wellbeing and mental health exist within the Australian context?
- How do financial wellbeing and mental health influence each other and what factors determine the strength of these impacts?
- What life experiences and characteristics increase the risk of experiencing negative impacts?
- How can financial wellbeing and mental health be better supported?

The information box overleaf provides guidance on key terms used in this report regarding financial wellbeing and mental health, as well as terms used to identify the source from which findings in this report have been drawn.

### Key terms for financial wellbeing and mental health

- **Financial wellbeing** is being able to meet current and ongoing expenses and commitments, being financially comfortable to be able to make choices to allow one to enjoy life, feeling secure about the financial future and having resilience to cope with financial adversity<sup>3</sup>.
- **Financial challenges** refers to any financial circumstances, thoughts and feelings that may negatively impact financial wellbeing. Particular financial challenges (for example financial hardship, debt, unemployment, loss of income, low income) are named in this report wherever the intended meaning can be this specific.
- **Mental health** reflects a state of wellbeing in which every individual realises their own potential, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to their community<sup>4</sup>.
- **Mental health challenges** is an umbrella term that covers diagnosed mental health conditions, as well as any other mental health issues that may negatively impact mental health but may not meet the criteria for a diagnosed illness.
- **Mental health conditions** means diagnosed/diagnosable mental illnesses. In this report the names of particular mental health conditions (for example depression and anxiety) are used wherever this is the intended meaning.
- **Mental health symptoms** is used in this report to refer to agreed symptoms of mental health conditions.
- **Mental health issues** refers to mental health challenges that might not meet the criteria for a diagnosed condition. Words describing specific mental health issues (for example, psychological distress, stress and thoughts of suicide) are used wherever the intended meaning is this specific.

### Key terms indicating evidence sources

- **Lived experience participants** identifies findings drawn from the primary qualitative research stage with people who have lived experienced of the impacts of financial challenges on mental health and/or the impacts of mental health challenges on financial wellbeing.
- **Stakeholder participants** identifies input from stakeholders participating in stakeholder listening interviews and in the collaborative workshops.
- **Literature** identifies findings drawn from the evidence review, either from individual literature sources or from the synthesis of multiple sources. References for published sources cited in this report are provided in footnotes and the reference list.
- **Analysis of HILDA data** identifies findings from secondary analysis of HILDA longitudinal data. The survey wave, or series of survey waves, used as the basis for specific findings included in this report is provided alongside relevant charts and in footnotes.

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<sup>3</sup> See: <https://www.financialcapability.gov.au/files/financial-capability-research-in-australia.pdf> (financialcapability.gov.au)

<sup>4</sup> As defined by the World Health Organisation and referenced by Beyond Blue. See: <https://www.beyondblue.org.au/the-facts/what-is-mental-health>



# The links between money and mental health

**This chapter details the ways in which financial wellbeing and mental health are related and how this impacts Australians.**

## Key observations

- There is substantial evidence that financial wellbeing and mental health are connected.
- People experiencing financial challenges are twice as likely as those who are not to also be experiencing mental health challenges.
- The reverse is also true: people experiencing mental health challenges are twice as likely as those who are not to be experiencing financial challenges.
- Around 5% of Australian adults experience both financial hardship and mental health symptoms each year, with 14% having experienced both of these over the most recent five years of HILDA survey data.
- Financial challenges can cause a decline in mental health, and mental health challenges can cause a decline in financial wellbeing. These negative impacts can accumulate over time, and can be reciprocally reinforcing, leading to downward spirals and entrenched issues.
- A positive relationship also exists, supporting resilience and recovery. Improvements in financial wellbeing can improve mental health, and improvements in mental health can improve financial wellbeing.

## Prevalence of financial and mental health challenges

Financial challenges and mental health challenges are common and frequently experienced alongside each other. Literature sources report these being experienced individually and together by substantial proportions of the population in Australia and in other countries<sup>5,6</sup>.

This is supported by analysis of HILDA data indicating that 38% of Australians experienced financial hardship<sup>7</sup>, 26% experienced symptoms likely to indicate a mental health condition<sup>8</sup>, and 14% experienced both financial hardship and mental health symptoms, over the most recent five-years of survey data, as shown in Figure 4.

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<sup>5</sup> Kiely, Leach, Olesen, & Butterworth (2015)

<sup>6</sup> Holkar (2019)

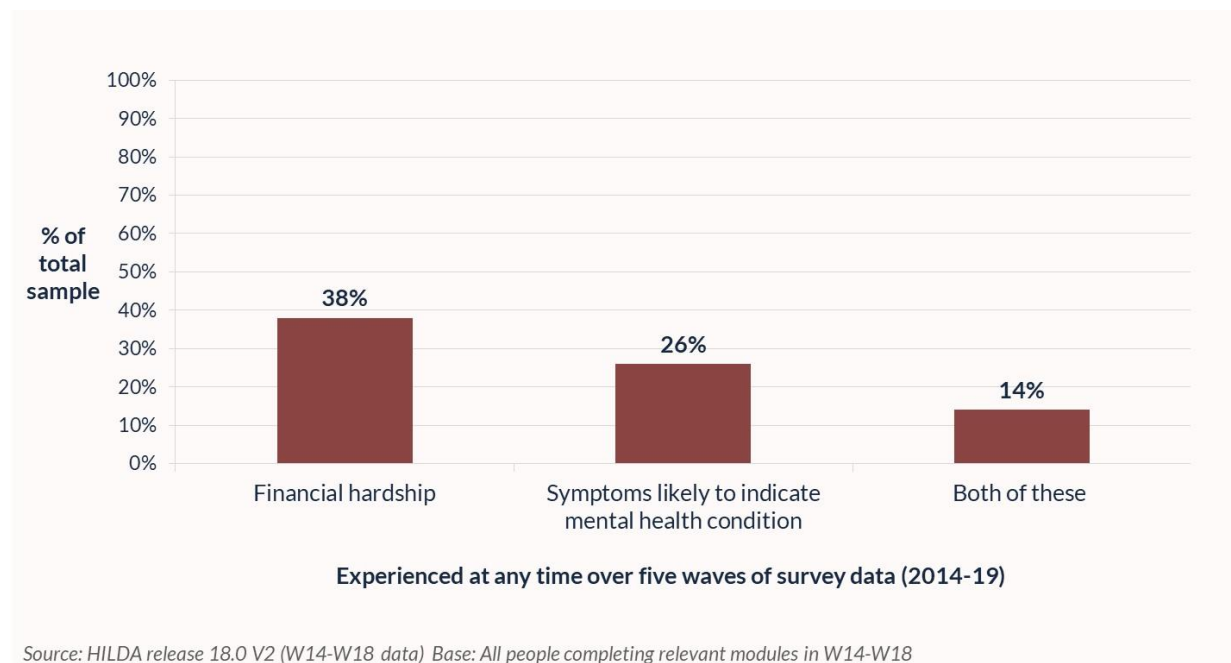
<sup>7</sup> This means they experienced any of the following because of a shortage of money: going without meals, being unable to heat the home, pawning or selling possessions, not being able to pay utility bills on time, not being able to pay mortgage or rent on time, asking for financial help from friends and family, or seeking help from community or welfare organisations.

<sup>8</sup> This means they scored under 50 on the MHI-5 mental health scale, which is taken to be indicative of a likely mental health condition and is a cut point used in similar analyses of the HILDA dataset (see: Kiely, Leach, Olesen, & Butterworth, 2015).



Stakeholder participants in this research who work in frontline support roles reported having observed this co-occurrence of financial and mental health challenges, with clients seeking support for financial challenges often found to also be experiencing mental health challenges, and vice versa. These stakeholders also observed that, through the first year of the COVID pandemic, more people appeared to be experiencing these challenges simultaneously than before. Emerging literature also appears to support this observation, including Australian research which observed increases in both financial stress and mental distress in 2020, the first year of the pandemic<sup>9, 10, 11</sup>.

**Figure 4. Proportion of Australians experiencing financial hardship and/or symptoms of mental health conditions in the period 2014-19**



## Correlations between financial wellbeing and mental health

It is well established in the literature that people experiencing financial challenges are significantly more likely than people who are not, to also be experiencing mental health challenges. Specifically, this relationship has been demonstrated across a broad range of financial indicators, including:

- **Debt** - falling behind on loan payments and bills, as well as having credit card debt and short-term/pay day loans, have been associated with higher likelihood of experiencing mental health conditions such as depression and anxiety, as well as thoughts about suicide<sup>12, 13, 14, 15</sup>.

<sup>9</sup> Bower, et al. (2021).

<sup>10</sup> Financial Counselling Australia (2020).

<sup>11</sup> Broadway, B, Payne A. A. & Salamanca, N. (Eds.) (2020)

<sup>12</sup> Turunen & Hiilamo (2014)

<sup>13</sup> Meltzer, Bebbington, Brugha, Farrell & Jenkins (2013)

<sup>14</sup> Drentea, P. (2000)

<sup>15</sup> Sweet, Kuzawa & McDade (2018)

- **Economic and material disadvantage** – poverty; lower material standard of living, income and socioeconomic status; and income inequality, have been associated with higher likelihood of mental health conditions, psychological distress and emotional stress<sup>16, 17, 18, 19, 20, 21</sup>.
- **Financial hardship** - ‘deprivation’-related hardships (such as foregoing meals for financial reasons, being unable to heat one’s home, pawning or selling possessions, and seeking help from community or welfare organisations), as well as ‘cash-flow’-related hardships (such as not being able to pay utility bills or make housing payments on time, or asking for financial help from friends and family), have been associated with higher likelihood of mental health conditions, most notably depression, as well as higher likelihood of symptoms of depression<sup>22,23</sup>.
- **Long term unemployment and receiving income support** – unemployment is associated with increased likelihood of experiencing a mental health condition and higher relative risk of death by suicide compared to being employed. Additionally, people on income support have higher rates than others of experience of mental health conditions, including mood, anxiety and substance use disorders, as well as higher rates of psychological distress<sup>24,25</sup>.
- **Financial ‘stress’** – recent Australian research has associated perceived financial ‘stress’ with increased psychological distress during the COVID pandemic, with psychological distress rates approximately four times higher among those with financial ‘stress’ than those without<sup>26</sup>.

Analysis of HILDA data supports the literature for many of the financial indicators listed above. Figure 5 illustrates just one example of this, showing that people experiencing financial hardship in the most recent survey wave were more than twice as likely as those not experiencing financial hardship to be experiencing symptoms indicating a mental health condition (23%, compared with 10%)<sup>27</sup>. A similar relationship was found to exist between mental health symptoms and a broad range of other financial challenges, listed below. For each of these, people experiencing this challenge were significantly more likely than those who were not to also be experiencing symptoms indicating a mental health condition.

- major worsening of finances in the last year
- unpaid bills
- lack of emergency funds
- socio-economic disadvantage
- material deprivation
- poorer perceived financial prosperity.

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<sup>16</sup>Weich & Lewis (1998)

<sup>17</sup> Isaacs, Enticott, Meadows & Inder (2018)

<sup>18</sup> Enticott, Meadows, Shawyer, Inder & Patten (2016)

<sup>19</sup> Saunders & Zhu (2009)

<sup>20</sup> Saunders (1998)

<sup>21</sup> Wilkinson & Pickett (2010)

<sup>22</sup> Butterworth, Rogers & Windsor (2009)

<sup>23</sup> Kiely, Leach, Olesen, & Butterworth (2015)

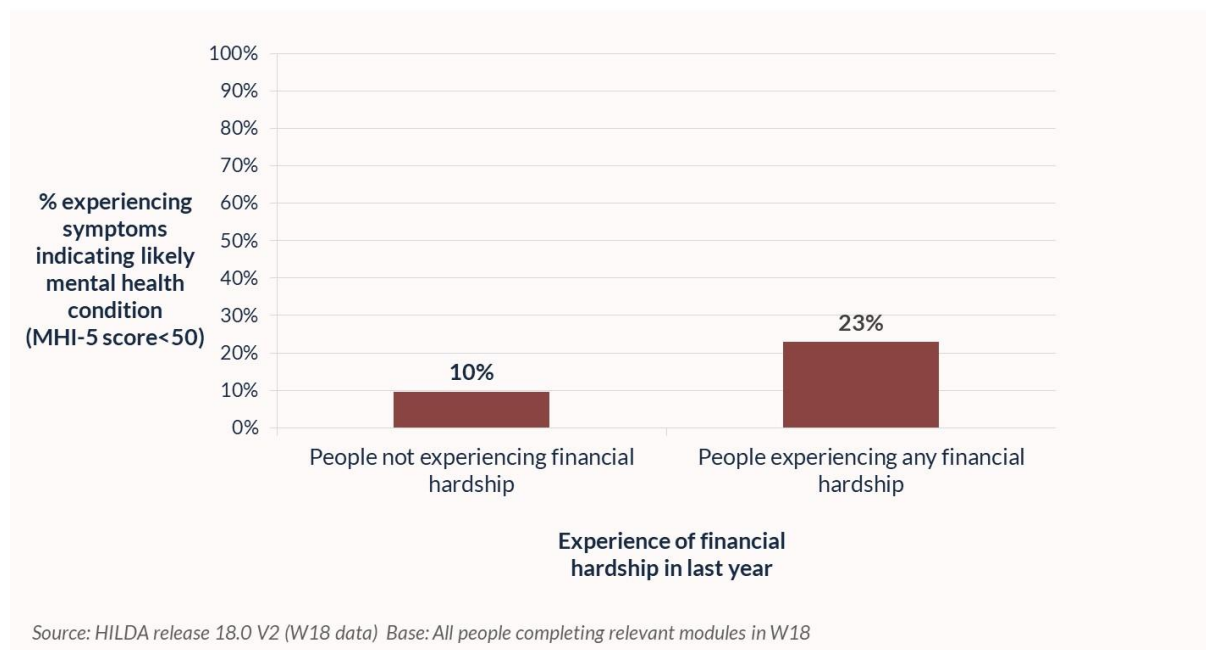
<sup>24</sup> Milner, Page & La Montagne. (2013)

<sup>25</sup> Butterworth (2003)

<sup>26</sup> Broadway, B, Payne A. A. & Salamanca, N. (Eds.) (2020)

<sup>27</sup> Based on analysis of Wave 18 of HILDA data release 18.0 V2.

**Figure 5. Percentage of Australians experiencing symptoms of mental health conditions by experience of financial hardship**



Analysis of the HILDA data also shows that people experiencing mental health challenges are significantly more likely than others to also be experiencing financial challenges. For example, as shown in Figure 6, people experiencing symptoms likely to indicate a mental health condition are twice as likely as those who are not to also be experiencing financial hardship (37%, compared with 18%). Analysis of HILDA data also reveals that:

- People experiencing symptoms likely to indicate a mental health condition are more likely than those who are not to have unpaid debts, to perceive themselves as just getting by financially or worse, or to be socio-economically disadvantaged<sup>28, 29</sup>.
- People displaying higher levels of psychological distress are more than three times as likely as others to lack access to emergency funds<sup>30</sup>.
- People living with a diagnosed mental health condition are more likely than others to lack access to emergency funds and to be socio-economically disadvantaged<sup>31</sup>.

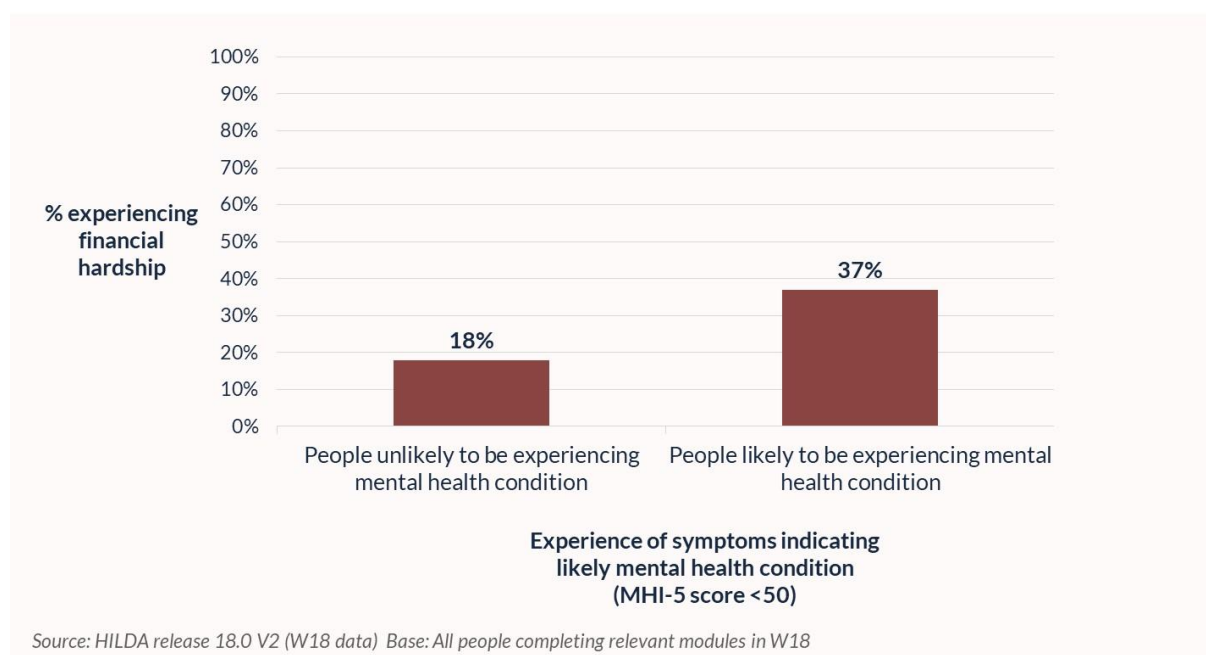
<sup>28</sup> Refer to Footnote 8.

<sup>29</sup> Based on analysis of Wave 18 of HILDA data release 18.0 V2.

<sup>30</sup> Based on analysis of Wave 17 of HILDA data release 18.0 V2

<sup>31</sup> Based on analysis of Wave 17 of HILDA data release 18.0 V2

**Figure 6. Percentage of Australians experiencing financial hardship by mental health experience**



### Negative impacts of financial challenges on mental health

While there is a wealth of evidence revealing correlations between financial wellbeing and mental health, it can be more difficult to demonstrate that one causes or leads to a change in the other, due to the complexity and number of variables that are involved<sup>32</sup>. There is, however, some evidence in the literature supporting the notion that financial challenges can diminish mental health. Notable findings from the literature include that:

- Debt problems are associated with the onset and/or worsening of mental health symptoms or conditions<sup>33</sup>.
- Recent experience of hardship and deprivation (within the past 12 months) has a significant adverse impact on later mental health over a short term<sup>34</sup>.
- The majority of people experiencing financial challenges perceive this experience has made their mental health worse<sup>35, 36, 37</sup>.

Analysis of HILDA data supports this literature to some extent, with regression analyses revealing financial hardship to be an independent predictor of later mental health symptoms, and this relationship persists even when controlling for other strong predictors of mental health<sup>38</sup>.

<sup>32</sup> Frankham, C., Richardson, T. & Maguire, N. (2020). Psychological factors associated with financial hardship and mental health: A systematic review. *Clinical Psychology Review*, 77, 101832.

<sup>33</sup> McManus, Bebbington, Jenkins, & Brugha (2016)

<sup>34</sup> Kiely, Leach, Olesen, & Butterworth (2015)

<sup>35</sup> Mind (2011)

<sup>36</sup> Holkar & Mackenzie (2016)

<sup>37</sup> The Salvation Army (2018)

<sup>38</sup> Based on analysis of Wave 17 and 18 of HILDA data release 18.0 V2.

Stakeholder and lived experience participants in this research strongly believed that causal influences exist between financial wellbeing and mental health. Lived experience participants perceived that some aspect of their finances had made their mental health worse and, particularly in the case of major financial events, participants could quite easily identify specific mental health impacts. Examples of financial challenges recounted in the research included unexpected financial obligations, losing work or taking on a lower paying job, and abrupt changes to income level or earning capacity due to a health crisis, separation or death of a partner. Participants experiencing these events described a wide range of mental health impacts including increased stress, insomnia, feelings of fear or panic, feelings of low self-worth, addiction, diagnosed mental health conditions and thoughts of suicide. It was notable that even individuals who had reportedly previously been in a relatively strong position in terms of financial wellbeing and mental health, reported quite rapidly experiencing a decline in mental health due to unexpected or serious financial challenges.

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*When I'm in big debt I can't sleep at night, I worry all the time to a point where I have chest pain and I have difficulty breathing. I stress a lot and that was going on for months and months, especially last year. I haven't functioned sometimes at work when I haven't slept all night. That's a big impact on my mental health.*

WOMAN NEGOTIATING PROPERTY SETTLEMENT AFTER LEAVING LONG TERM RELATIONSHIP

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The stories of lived experience participants revealed that it can be easier to perceive mental health impacts and changes over time when a positive financial situation rapidly changes than when financial challenges are chronic or life-long. The mental health impacts of socio-economic disadvantage, long-term unemployment, underemployment and very low income on mental health appeared more masked for individuals experiencing these. Lived experience participants in this research living in conditions of chronic disadvantage found it difficult to pinpoint which came first, their financial challenges or mental health challenges. They reported experiencing ongoing or cyclical mental health challenges as they moved through multiple periods of financial challenges over their lives, and some had been living with mental health conditions for many years.

Regardless of whether financial challenges were acute (time-limited) or chronic (long-term or even life-long), they were described by stakeholder and lived experience participants in this research as bringing a range of associated stressful experiences and cognitive, emotional and behavioural consequences that diminish mental health. This is discussed in the literature as well, with several sources proposing that the daily experiences of financial hardship and socioeconomic disadvantage generates significant psychological stress which over time damages mental health<sup>39, 40, 41</sup>.

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<sup>39</sup> Johnson, Cohen, Dohrenwend, Link & Brook (1999)

<sup>40</sup> Mossakowski (2014)

<sup>41</sup> Holkar & Mackenzie (2016)

Lived experience participants recounted stories where it was apparent that living with financial challenges calls on greater mental, physical, and financial resources than might be required living in a state of financial security. For example, lived experience participants who had experienced financial challenges were subject to:

- costs associated with having limited financial resources (e.g. having higher interest rates on the loans that are accessible to them, having to replace cheaper goods more frequently and having to pay higher costs per item than they would if they could afford to buy more durable goods or buy in bulk)
- cognitive efforts required to fill out applications, meet obligations, abide by restrictions, fix others' mistakes and self-advocate that result from interacting more frequently with essential and public services
- worry and effort associated with living in a state of financial hardship, including managing insecure work and housing situations, such as having to move more frequently or do more of the work oneself than those with greater means.

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*When you have limited finances, it is held over your head a lot, and then it does impact on your mental health. Unlike our justice system where you're innocent until proven guilty, with a lot of these organisations, if you are poor, you are guilty until you can prove otherwise. They say "no, you made a mistake, we don't make mistakes", and they have no idea about the mental impact from what they're saying... When it finally comes out that they've made the mistake and you've been perfectly right the whole time, you don't even get "we're sorry for all the trouble we've caused you".*

OLDER WOMAN LIVING IN POVERTY DESCRIBES THE PSYCHOLOGICAL IMPACT OF HAVING TO SELF-ADVOCATE IN THE FACE OF MULTIPLE SERVICE BILLING ERRORS.

*I mean money isn't everything, but money does buy freedom and money solves money problems... I don't think about finances all day, but it's definitely one of the key factors when I make a decision, and I feel like some people don't have that, and it allows them to focus on other important areas of their life, be it relationships, be it their work, be it their family. If you don't have money, it becomes something that occupies and weighs you down.*

YOUNG PERSON DESCRIBES THE COGNITIVE LOAD ASSOCIATED WITH MONEY ISSUES AND ITS IMPACT ON HIS STUDIES AND MENTAL HEALTH

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## Negative impacts of mental health challenges on financial wellbeing

There is also evidence in the literature supporting the notion that mental health challenges can diminish financial wellbeing. Findings from the literature supporting this include that:

- Those experiencing mental health conditions are more likely to experience a decline in financial wellbeing over time<sup>42</sup>.
- Past experience of mental illness is related to experience of more serious consequences of financial hardship later on compared to those without past experience of mental illness (such as harassment and threats from debt collectors, legal action to enforce a debt, and utilities disconnection)<sup>43</sup>.
- Mental health challenges are a risk factor for subsequent unemployment<sup>44</sup>.
- The majority of people experiencing mental health challenges report their mental health has made their financial circumstances worse<sup>45,46</sup>.

Analysis of HILDA data also provides some support for this relationship, with regression analyses showing mental illness requiring treatment is an independent predictor of later financial hardship<sup>47</sup>.

Lived experience participants in this research had experienced mental health challenges including diagnosed mental health conditions, mental health symptoms, high levels of stress and addictive behaviours. These participants described a range of financial impacts of their mental health, including costs, as well as impediments to income earning and financial capability. Specific examples of these included:

- the costs of managing mental health conditions
- discrimination in the workplace limiting hours and advancement
- difficulties gaining and maintaining employment
- impacts of medication and mental health conditions on cognitive function and motivation.

The ways in which mental health conditions specifically impact cognitive functioning and motivation have been summarised in the literature<sup>48</sup>. Different conditions and acuity of experience are associated with different impacts, with experience of mental health conditions found to affect executive functions, memory, attention, social cognition, psychomotor functioning, motivation, attitudes to spending and communication<sup>49</sup>. These can result in impulsive spending, susceptibility to marketing, difficulties managing day-to-day finances and longer-term financial planning, avoidant behaviours and difficulties communicating and advocating for one's own financial interests.

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<sup>42</sup> Muir, Hamilton, Noone, Marjolin, Salignac, & Saunders (2017).

<sup>43</sup> Bourova, Ramsay, & Ali (2018)

<sup>44</sup> Olesen, Butterworth, Leach, Kelaher & Pirkis (2013)

<sup>45</sup> Mind (2011)

<sup>46</sup> Holkar & Mackenzie (2016)

<sup>47</sup> Based on analysis of W17 and W18 of HILDA data release 18.0 V2..

<sup>48</sup> Holkar (2019)

<sup>49</sup> Ibid.

Lived experience participants in this research also described experiencing many of these cognitive, motivational and behavioural impacts of mental health challenges, including impulsive spending, difficulties attending to day-to-day money management tasks, inability to keep track of finances and making financial decisions not in their best interests. Some reported having made financial decisions in times of poor mental health that they later regretted, such as taking out (often high interest) loans, avoiding financial obligations or creditors, and overspending.

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*When I get depressed, I'm more likely to go on [buy now pay later service] and buy things that are just going to bring me some temporary enjoyment. And then I'll go the other way when I'm having an anxious cycle and I'm more concerned with not having money.*

YOUNG MAN WITH MENTAL HEALTH ISSUES EXACERBATED BY LOSS OF MOTHER DESCRIBES DIFFICULTIES MANAGING MONEY THROUGH PERIODS OF DEPRESSION

*With increases in pain spikes, my mental health capacity suffers. So, whether it's buying stuff that I shouldn't be buying just to make myself feel better, or spending unnecessarily, that has a major impact because I then realise I've spent money that needs to be used for bills or food. But it makes you feel worse, like you're not socially responsible... I can't remember everything I've got to pay, everything I've got to do, what bills are coming out, if I've paused a payment or cancelled a direct debit. One day I have money and the next day I've got less, and I've got to go through my account to find out why.*

MAN WITH DEPRESSION AFTER INJURY DESCRIBES MONEY MANAGEMENT DIFFICULTIES

*Cognitive slowing comes with depression, your prefrontal cortex is offline, which is the thing that helps you plan and think about the future and think long-term, and so how do you get yourself out of a financial rut if you can't plan ahead and if you can't think clearly?*

MENTAL HEALTH SUPPORT PROVIDER DESCRIBES IMPACTS OF DEPRESSION ON FINANCIAL PLANNING

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Stakeholder participants working with people experiencing mental health conditions observed additional ways in which mental health challenges can negatively impact financial wellbeing. They perceived that:

- Some experiencing mental health conditions are less able and/or likely than those not experiencing a mental health condition to seek help with financial challenges, putting them under greater financial strain.
- The costs of servicing addictions, including substance use and gambling disorders, can escalate very quickly, placing people in very precarious financial circumstances.
- Navigating services and obligations not designed with mental health in mind can be challenging for people living with a mental health condition. It was noted that both government services and financial services have little flexibility to accommodate these circumstances. This was particularly discussed where mental health conditions are undiagnosed, but also for those experiencing symptoms of specific conditions such as agoraphobia or severe depression.



Lived experience participants shared stories that also indicated such challenges. Examples included:

- being cut off from Centrelink payments due to failing to meet requirements because mental health symptoms prevented them from attending appointments
- engaging in compulsive behaviours which create and further entrench financial challenges
- escalation of debt collection processes because of depression-related avoidant behaviours.

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*They've been diagnosed with depression and then they get a letter with a window in it - a bill, or an official letter - and it's very easy to start avoiding that and put it on top of the fridge and think, 'I'll open it next week'. They forget about it, and the next thing they're getting another letter saying, 'Final notice - if you don't pay this within in 7 days...' and it just compacts and gets worse, and it's harder for them to face that problem.*

SERVICE PROVIDER DESCRIBES CLIENT DOWNWARD SPIRAL AFTER DEPRESSION DIAGNOSIS

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## Cumulative impacts and downward spirals

The impacts of financial and mental health challenges on each other are not only bidirectional, as established in the previous sections, they are also cumulative. The literature demonstrates that the rate and intensity of mental health conditions increases with the number and scale of debts incurred<sup>50, 51</sup> with the number of financial hardships experienced<sup>52</sup>, and with experience of financial hardship over time<sup>53</sup>.

Analyses of HILDA data shown in Figures 7 and 8 also demonstrate this cumulative relationship. In the most recent survey waves, the intensity of mental health symptoms (Figure 7) and the intensity of psychological distress (Figure 8) both increased in line with the number of financial hardships experienced. Additional analyses also showed cumulative impacts over time. For example, the intensity of mental health symptoms experienced in the most recent survey wave increased in line with the number of years over which financial hardships had been experienced. Similarly, the number of financial hardships experienced in the most recent wave increased with the number of years over which mental health symptoms had been experienced<sup>54</sup>.

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<sup>50</sup> Jenkins et al. (2008)

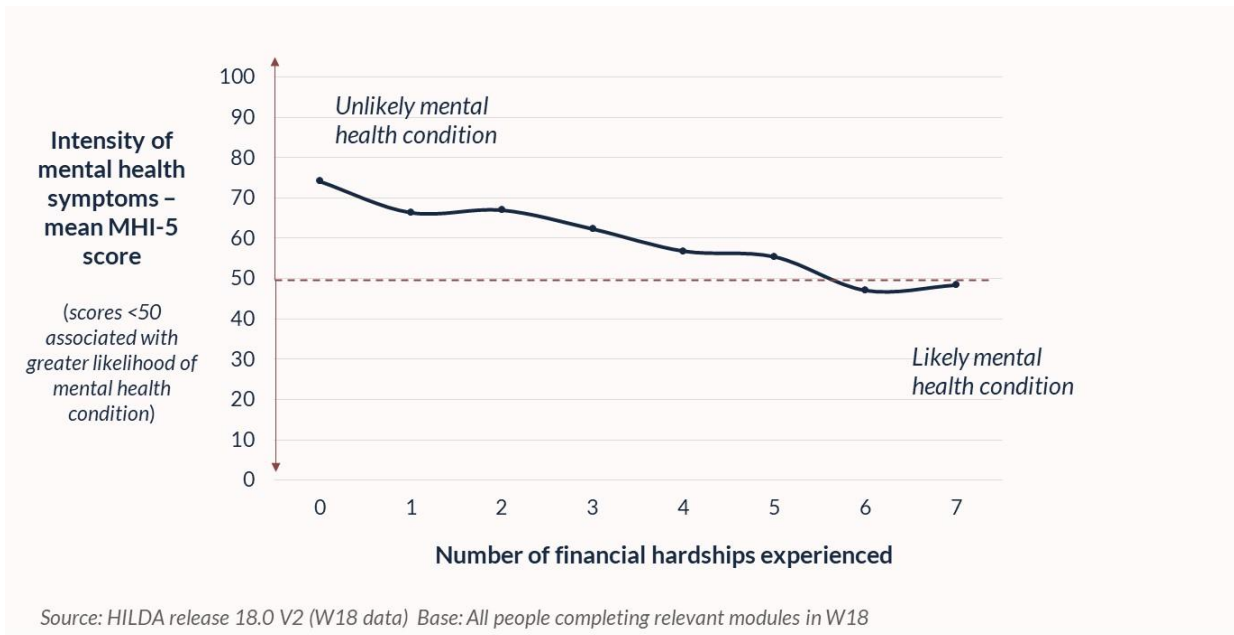
<sup>51</sup> Drentea (2000)

<sup>52</sup> Kiely, Leach, Olesen & Butterworth (2015)

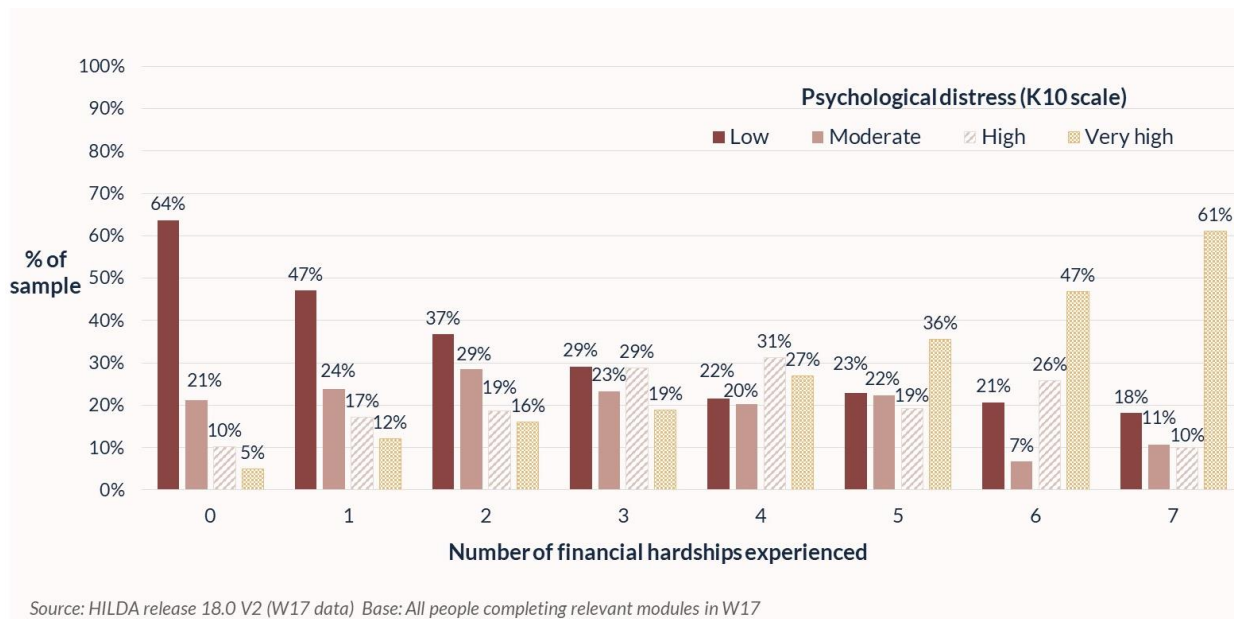
<sup>53</sup> Brackertz & Borrowman (2020)

<sup>54</sup> Analysis of HILDA data release 18.0 V2 - Within-wave analyses based on W17 data (psychological distress) and W18 data (financial hardship). Longitudinal analyses based on the last eight survey waves (W11 to W18).

**Figure 7. Intensity of mental health symptoms increase with number of financial hardships experienced**



**Figure 8. Psychological distress increases with number of financial hardships experienced**



The cumulative impacts of financial and mental health challenges were also observed in the stories of lived experience participants in this research. For example, those who had experienced mental health challenges over a long period (for example, since childhood or adolescence) reported difficulties gaining and staying in employment over these years and appeared more likely to have experienced multiple periods of financial hardship, debt defaults, and even bankruptcy, as a result of their mental health, than those experiencing mental health challenges more recently in their life or over a shorter period.

The impacts of financial and mental health challenges were noted by stakeholder and lived experience participants to be mutually reinforcing. Some of these participants had experienced or observed ‘vicious cycles’ or ‘downward spirals’ in which financial wellbeing and mental health declined together, each reinforcing negative changes in the other, and leading to serious or entrenched outcomes. Most lived experience participants in this research were at a point in their life where they had managed to break out of such spirals and their challenges had largely resolved. Some lived experience participants, however, described a repeated pattern of downward and upward spirals in their financial wellbeing and mental health that they felt would be ongoing. Others were still experiencing chronic or unresolved challenges, though they had emerged from crisis. Most of these participants however, described the spirals they had experienced as very difficult to halt or reverse and to have progressed much further and more quickly to a state of crisis than they had initially anticipated.

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*I was stuck with a couple of credit cards and then basically playing them off against each other, so I try not to pay them off or you'd try to transfer one to the other, and then you try and pay your rent and your food. I was ringing up [utilities provider] and they'll let you defer it for three months and then you pay that and then you go back to the real estate, 'Can I defer this?' So, you're just going around in circles essentially... you're going down this black hole and you're up all night trying to think of ways around it and you just go, I cannot stop this.*

MAN DESCRIBES DEBT SPIRAL THAT LED TO PSYCHOLOGICAL BREAKDOWN

*A change in someone's financial circumstances can affect their mental wellbeing. They start getting into debt, then that debt compounds the stress and the anxiety that they're already experiencing because of the change of circumstance and drop in income. We start seeing the debt build up. Anxiety becomes pervasive. It starts to affect sleep and then they end up getting diagnosed with a mental illness. They're not able to afford expenses anymore, because the debt is compounding. They become hopeless and can feel suicidal.*

SERVICE PROVIDER DESCRIBES CLIENT DOWNWARD SPIRAL PRECIPITATED BY JOB LOSS

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## Positive impacts of financial wellbeing and mental health

Just as financial wellbeing and mental health can negatively impact each other, this research has revealed that they can also positively impact each other. That is, improvements in financial wellbeing can lead to improvements in mental health, and improvements in mental health can lead to improvements in financial wellbeing.

In the literature, positive associations have been reported between financial wellbeing and mental health overall<sup>55, 56</sup>, and financial counselling has been shown to reduce psychological distress at the same time it is improving financial wellbeing<sup>57</sup>.

Analyses of HILDA data also demonstrates associated improvements between financial hardship and mental health, with an improvement in symptoms likely to indicate a mental health condition over the two most recent waves significantly associated with a reduction in hardships over the same period. A self-reported major improvement in finances in the last 12 months was also found to be significantly associated with an improvement in mental health symptoms over the same period, such that those experiencing a major improvement in finances were significantly more likely to record a positive shift in mental health scores than those who did not have this experience (44%, compared with 37%)<sup>58</sup>.

Lived experience participants in this research described stories of recovery in which, in addressing financial challenges, they also observed improvements in their mental health, and vice versa. This observation was also supported by stakeholder participants. Specifically, those working in financial counselling and business mentoring reported observing improvements in overall mood and symptoms of anxiety and depression when counselling individuals on financial issues. Similarly, those providing mental health supports reported observing improvements in financial capability as mental health symptoms were brought under control.

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<sup>55</sup> Russell, Kutin, & Marriner (2020)

<sup>56</sup> Netermeyer, Warmath, Fernandes & Lynch (2017)

<sup>57</sup> Brackertz (2013)

<sup>58</sup> Based on analysis of Wave 17 and Wave 18 of HILDA data release 18.0 V2.

## How money and mental health influence each other

This chapter describes a range of socio-cultural, personal and structural influences that determine *how* and *to what extent* financial wellbeing and mental health impact each other.

### Key observations

- People respond to financial and mental health challenges differently.
- Experiences related to financial wellbeing and mental health trigger cognitive, emotional and behavioural responses in people, which have financial and mental health outcomes.
- There are many influences that determine these cognitive, emotional and behavioural responses, including socio-cultural, personal and structural influences.
- Particularly strong influences on financial wellbeing and mental health outcomes include:
  - relationships, social support and community connection
  - societal beliefs that prompt shame and stigma
  - adverse life events
  - physical health
  - psychological characteristics and capabilities
  - social inequity
  - access to supports.

Not all people experiencing financial challenges will have their mental health impacted by this. Similarly, not all people experiencing mental health challenges will have their financial wellbeing impacted by such challenges<sup>59</sup>. Some theories have been put forward in the literature to explain the mechanisms operating between financial wellbeing and mental health<sup>60, 61, 62</sup>. Underlying these appears to be the general principle that experiences related to financial wellbeing and mental health trigger cognitive, emotional and behavioural responses in people, which have financial and mental health outcomes<sup>63</sup>. The context within which people experience financial and mental health challenges plays a role in determining these cognitive, emotional and behavioural responses<sup>64</sup>. Figure 9 depicts this principle at a very high level and provides some examples of experiences and outcomes experienced by lived experience participants in this research.

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<sup>59</sup> Frankham, Richardson, & Maguire (2020)

<sup>60</sup> Holkar & Mackenzie (2016)

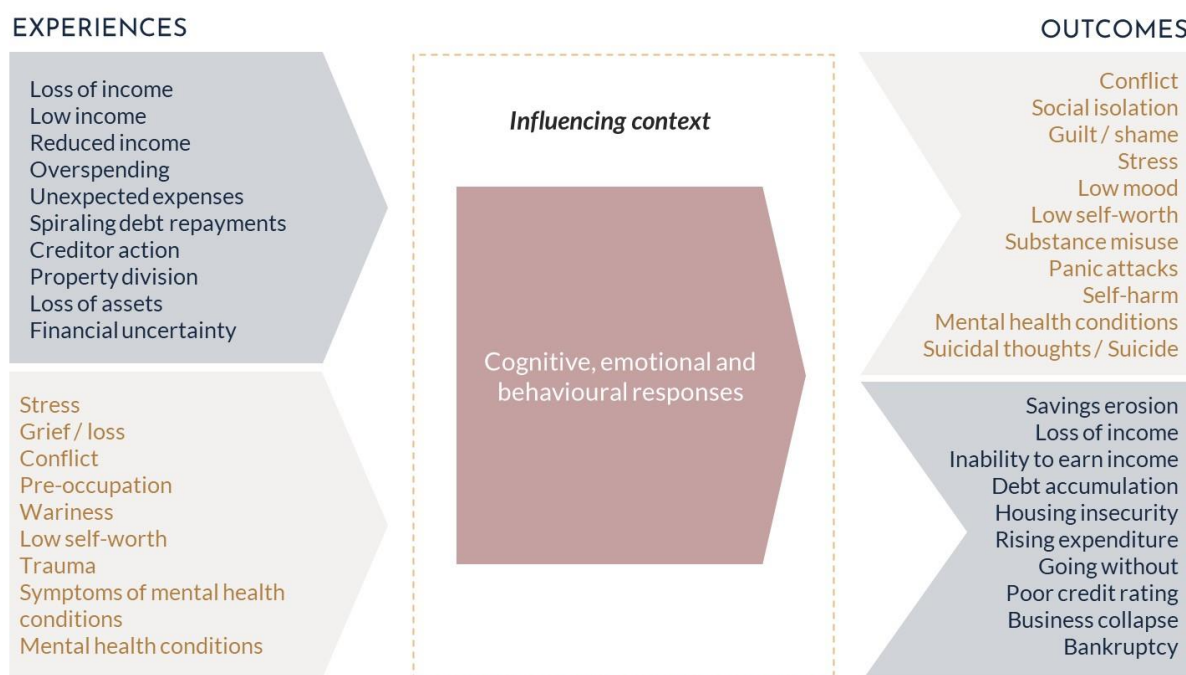
<sup>61</sup> Johnson et al (1999)

<sup>62</sup> Mossakowski (2014)

<sup>63</sup> Ibid.

<sup>64</sup> For example, see Muir et al (2017); Brackertz (2013); Holkar (2017) and Frankham, Richardson, & Maguire (2020)

**Figure 9. Examples of financial and mental health experiences and outcomes observed in the research**



The literature, supported by analysis of HILDA data, and the observations of participants in this research, reveals that there are many factors that provide the context in which individuals respond to their financial wellbeing and mental health experiences.

These factors include:

- **social and cultural** influences, including relationships, social support and community connection, and narratives around financial wellbeing and mental health that provoke shame and stigma
- **personal** influences such as adverse life events, physical health and psychological characteristics and capabilities
- **structural** influences such as social inequity and access to supports.

The most prominent influences identified in this research are described in the following sections.

## SOCIAL AND CULTURAL INFLUENCES

### Relationships, social support and community connection

Close interpersonal relationships have been demonstrated in the literature to strongly influence both financial wellbeing and mental health. The existence and quality of these relationships has been found to be both a cause and consequence of financial and mental health challenges, as well as a determinant of financial wellbeing and mental health<sup>65, 66</sup>.

This was also revealed in analysis of HILDA data, which found that ‘not having someone to lean on in times of trouble’ influences the relationship between financial wellbeing and mental health. Not having someone to lean on was found to be a strong predictor of experiencing concurrent financial hardship and mental health symptoms in a survey wave. In line with this, those who were experiencing these challenges together in the most recent survey wave were significantly more likely than those who were not to strongly agree they have no one to lean on in times of trouble (13%, compared to 5%)<sup>67</sup>.

Lived experience participants in this research described various ways in which their close personal relationships had played a part in determining their experiences with financial wellbeing and mental health, including:

- **as a source of financial challenges**, for example getting into debt to support a loved one, partners mismanaging family finances, and loss of income due to separation, partner death or family health crisis
- **as a source of mental health challenges**, for example in cases of relationship breakdown, family violence and estrangement; because of familial expectations regarding financial success and when social relationships are impacted due to limited finances
- **as a source of financial and psychological support**, with some citing parents and partners as playing a role in their recovery and preventing them from reaching a crisis point.

Importantly for resilience and recovery, as noted above, close interpersonal relationships with supportive family or friends were observed by stakeholder and lived experience participants to cushion the effects of financial challenges on mental health, and to reduce the impact of mental health challenges on financial wellbeing. However, actively supporting loved ones through these challenges was also observed in some cases to extend the adverse impacts of these challenges to those providing support. Examples of this from lived experience stories were people who had themselves gotten into debt spirals in paying out their partner’s debt, and parents who ended up with financial and/or mental health challenges in supporting adult children through their own challenges.

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<sup>65</sup> Brackertz (2013)

<sup>66</sup> Australian Psychological Society (2015)

<sup>67</sup> Based on analysis of Wave 18 of HILDA data release 18.0 V2

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*People just assume that you can just go and get help, and there's always other factors in there. The fact that we were propping up two boys meant that I couldn't just go and get that help, I was going to put them in it rather than myself, so yeah, I just had to carry on.*

WOMAN DESCRIBING HER OWN MENTAL HEALTH WHILE CARING FOR ADULT SON IN CRISIS

*The priority was to get my partner out of trouble, so I paid off all her debts and then that was done with a combination of my savings and then yeah, then I started using credit cards and then it was hopping from credit card to credit card.*

MAN TAKES ON PARTNER'S DEBT LEADING TO DEBT SPIRAL

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Stakeholders raised that, beyond close personal relationships, some level of participation in community is important to mental health. This was observed to be challenging, however, when financial circumstances preclude spending on all but survival essentials. Lived experience participants also described withdrawal from community and social interactions as one of their first responses to financial challenges. Many described cutting back on social outings as a way of reigning in spending; however, the subsequent feelings of isolation were described as taking a toll on mental health. They also described an eventual lack of motivation and desire to engage with their social circle and participate in wider community activities as they came to focus more and more on the essential task of dealing with their financial challenge.

The HILDA data analysis supports this finding, with community participation found to be strongly positively associated with mental health. Further, people experiencing both financial hardship and symptoms likely to indicate a mental health condition in the most recent survey wave were found to have significantly less community participation than those not facing these challenges<sup>68</sup>.

Stakeholder participants also observed that those facing financial challenges often lack access to the internet or a smartphone, which can be important tools for maintaining social and community connection.

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<sup>68</sup> Based on analysis of Wave 18 of HILDA data release 18.0 V2. Community participation is based on those who indicate they occasionally or more frequently engage in any of eight activities, including: having contact with friends or relatives, chatting with neighbours, attending community events, being involved in a community/political group or encouraging others to do so, attending worship services, volunteering, talking about current affairs, keeping in touch with friends, visiting extended family, getting in touch with local representatives about issues, and giving money to charity if asked.



## Societal beliefs that prompt shame and stigma

A body of literature supports the association between social stigma (automatic disapproval or a lack of respect) and mental health challenges<sup>69,70</sup>. For some, public stigma can develop into anticipated stigma from the external world and become internalised (self-stigma)<sup>71</sup>. There is evidence that stigmatising narratives are a barrier to timely help-seeking behaviour, inhibit honest and full disclosure of issues, and becoming internalised in the form of shame, corroding self-respect and self-efficacy<sup>72,73</sup>.

Despite acknowledging that significant gains have been made, both stakeholder and lived experience participants in this research believed significant stigma to still surround those living with mental health challenges.

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*I don't tend to reveal my feelings in the community, no-one talks about suffering, it's very hidden, it's all swept under the carpet. If someone talks then people will avoid that person and they will say, 'Oh, she's crazy', and that person would be isolated even more, no-one would want to socialise with that person with mental health issues.*

OLDER WOMAN FEARS REJECTION IF NOT SEEN AS STRONG IN HER CULTURAL COMMUNITY

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This research also observed stigmatising beliefs associated with financial challenges *as well as* mental health challenges. Many stakeholder and lived experience participants cited a dominant narrative of personal responsibility in Australia, encompassing financial wellbeing as being indicative of one's success, and debts and perceived poor handling of finances being seen as personal failings. The pressure of this stigma was seen by stakeholder participants as weighing particularly heavily on sole or main income earners and small business owners, where financial worries and the prospect of failure or bankruptcy is often shouldered privately by individuals, taking a toll on their mental health.

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*In this country we still have very much a taboo about money and so people don't want to share. It's very shameful to have debts that you can't pay.*

SERVICE PROVIDER NOTES SOCIAL STIGMA SURROUNDING MONEY ISSUES

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Lived experience participants also reported perceiving stigma when engaging with service providers. Examples include perceiving unnecessary questioning, suspicion of their help seeking, minimisation or rejection of their needs, and unpleasant, judgemental, or dismissive facial expressions or comments.

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<sup>69</sup> Corrigan & Rao (2012)

<sup>70</sup> Brouwers (2020)

<sup>71</sup> Corrigan, Rafacz & Rüsçh (2011)

<sup>72</sup> Corrigan (1998)

<sup>73</sup> Livingston & Boyd (2010)

Shame and anticipation of stigmatised responses was reported by stakeholder and lived experience participants to lead to fear, denial and behaviours that make financial and mental health challenges worse, including:

- withholding information about their financial wellbeing and mental health, including from their closest loved ones
- avoiding or delaying help-seeking
- avoiding communicating with creditors and other services
- self-medicating, impulsive behaviours and self-sabotage
- withdrawing from socialising with friends and family
- over-work or withdrawing at work.

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*Thinking about my finances, I'm embarrassed. My partner, who is so good with finances, he doesn't understand. And my mother-in-law was talking to my partner about people who only pay the minimum credit card balance when we were at dinner the other day. That was me, that was me and I couldn't say it.*

WOMAN DESCRIBES WITHHOLDING FINANCIAL CHALLENGES FROM FAMILY

*I'm ashamed – I was a grown woman, and I was not in control of my life. It got to the point, where finances were like this cloud over the top of everything.*

WOMAN DESCRIBES FEELINGS OF SHAME REGARDING FINANCIAL CHALLENGES

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## PERSONAL INFLUENCES

### Adverse life events

A number of studies in the literature point to the impact of pre-existing experiences, including early adversity and other adverse life experiences, being cumulative and associated with stress responses to later stimuli. This individual stress response can impact physical well-being, mental health, relationships and work, and prolong the associated stressor<sup>74, 75, 76</sup>.

Analysis of HILDA data also reveals that past negative life events are strongly associated with experiencing financial and mental health challenges together. Those indicating in the most recent survey wave that they had experienced financial hardship as well as symptoms indicating a likely mental health condition, had experienced significantly more negative life events over the prior decade than others<sup>77</sup>.

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<sup>74</sup> Font & Maguire-Jack (2016)

<sup>75</sup> Felitti, Anda, Nordenberg, Williamson, Spitz, et al. (1998)

<sup>76</sup> Brackertz (2013)

<sup>77</sup> Based on analysis of Waves 9-18 of HILDA data release 18.0 V2. Negative life events in the survey include spousal separation, death of loved one, serious illness or injury (personally or close relative, family member or friend), victim of crime or violence, detained in jail (personally or close family member), fired or made redundant, or had a disaster damage or destroy home.

They were also significantly more likely to have experienced negative life events in a greater number of survey waves over the prior decade than others.

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*It's something I've lived with my whole life. I remember I was seeing 'psychs' as a child. It's something that's always been there, but I guess I'd got to a point where I was really quite functional in the world. I've never been someone that's had a lot of money, I just rented and mostly lived week to week, but bills would get paid... But at times [now] the constant stress and anxiety about money and about life... On a good day, I'm okay, on a bad day I kind of go, 'I'm just over it'. I'm over just the struggle all the time.*

MAN WITH BACKGROUND OF ADVERSITY FACING PRECARITY FOLLOWING INJURY

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## Physical health

Physical health issues can be both a cause and consequence of financial and mental health challenges.

Some lived experience participants indicated their financial and mental health challenges were caused by an injury, disability or health issue which had been costly to manage and had impacted their ability to work and function at the same level as they had previously. Some were living with ongoing cognitive and motivational deficits from health issues and associated treatments and medication, which they felt reduced their ability to make decisions and manage their money day-to-day. This was mentioned by stakeholder participants, who noted that treatments and medications, as well as alcohol and other substances that are sometimes consumed to alleviate stress, can themselves affect physical health. Resulting cognitive impacts, including altered memory, attention, problem solving and motivation, can change how people make decisions and deal with stressors, and further worsen mental health and financial wellbeing<sup>78</sup>.

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*The side effects from all that pain medication tend to have quite an adverse effect on your memory... I'd forget dates, I'd forget that I had to have meetings, talk to people, finish up work, I'd start something, start something else, and completely forget about the first thing I'd started, so I'd get issues at work where oh, you haven't finished this, you haven't finished this, what's going on?... I have to set alarms on my phone so that I do remember.*

FATHER OF 2 WHOSE MEDICATION IMPACTS FAMILY LIFE, FINANCIAL CAPABILITY AND WORK

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Other lived experience participants had observed their financial and/or mental health challenges take a toll on their physical health. The literature confirms that there is a link between emotional stress, restricted financial resources and physical symptoms such as headaches, insomnia and the development of chronic illness<sup>79, 80, 81</sup>. This was echoed by lived experience participants in this research who

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<sup>78</sup> Holkar (2017)

<sup>79</sup> Syed (2020)

<sup>80</sup> Salovey, Rothman, Detweiler, & Steward (2000)

<sup>81</sup> Saunders (1998)

mentioned how challenging it can be under conditions of financial and mental health stress to afford and be motivated to prepare nutritious meals, exercise regularly and meet preventive health needs. Many described insomnia and poor-quality sleep resulting from worry, nerves and tension accompanying their financial challenges and which they felt contributed to declines in both physical and mental health. Stakeholder participants working in support service provision observed, among the people they serve, that symptoms of anxiety cause individuals to sleep less well, and that this can reduce their ability to cope and make effective decisions, and their productivity at work.

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*The last thing you need is to worry like oh, 'How much money can I make today?' Or the fact that maybe a day or two of the weekend is taken up by the need to earn income... and then, when you don't do as well in academics because of this, that can affect your mental health... and I'm under all this stress and lack of sleep and I'm really pushing myself to the point of burnout, which is actually what happened.*

YOUNG MAN DESCRIBES BURNOUT AS MONEY STRESS IMPACTED PHYSICAL AND MENTAL HEALTH

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## Psychological characteristics and capabilities

A broad range of psychological characteristics and capabilities influence the relationship between financial wellbeing and mental health and determine individual differences in responses to challenges.

These include:

- **Personal agency, competence and self-efficacy** – The literature suggests that characteristics such as personal agency (e.g. a sense of skill and control), self-efficacy, psychological flexibility or resilience (e.g. adaptive problem-solving skills) and the personality trait of optimism, may act as a 'buffer' preserving mental health despite the effects of financial challenges and stress<sup>82</sup>. However, the literature also suggests that these factors are vulnerable to depletion in response to stress, after which they can stop acting as a buffer, with negative consequences for mental health<sup>83</sup>.

The literature shows that self-esteem and self-efficacy can also counteract the documented 'Why Try?' effect that emerges as people internalise social stigma associated with financial or mental health challenges and come to believe they are not able or worthy, resulting in low motivation and withdrawing from or not pursuing opportunities<sup>84</sup>. Lived experience participants in this research displayed this effect, indicating times at which they had withdrawn at work, or from work completely, or failed to advocate for their best financial interests, as financial and mental health challenges escalated.

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<sup>82</sup> Frankham, Richardson & Maguire (2020)

<sup>83</sup> Ibid.

<sup>84</sup> Corrigan & Rao (2012)

- **Contribution through work** - Work has a major impact on mental health and financial wellbeing, far beyond the provision of income. Whether paid or voluntary, work provides a social context, autonomy and independence, and facilitates a sense of contribution. Links between employment, overall wellbeing and mental health are well-established in the literature, with those who are unemployed consistently reporting the lowest levels of overall wellbeing, and not being employed amplifying the relative risk of death by suicide<sup>85,86</sup>. Work-related events, such as job loss or cut-backs, have been associated with higher levels of psychological distress relative to those with no changes to their work<sup>87,88</sup>.

Lived experience participants in this research reported that financial and mental health challenges significantly impacted their confidence at work, increasing sensitivity to judgement by others and fears of these challenges being discovered. This was reported to lead to efforts to conceal vulnerabilities, increased stress levels and in some cases physical health impacts. Participants reported feelings of overwhelm and described increased use of personal leave, changes to productivity and social withdrawal. Self-advocating for time off or changes needed to work arrangements was described as challenging with some choosing to resign instead.

- **Financial capability** – The literature shows that improved financial capability can significantly improve problem debt, which, because it has been associated with mental health challenges, may therefore contribute to improved mental health<sup>89</sup>. The literature also suggests that the impairments to financial capability associated with cognitive and motivational impacts of different mental health conditions is one of the key steps on the pathway between experience of these conditions and financial challenges<sup>90</sup>.

Some lived experience participants felt their challenges could have been avoided, or more effectively addressed earlier, if they had had greater financial capability, including better money management skills and understanding of financial products and support options.

- **Perceived safety and security** - In the chain of adversity, the literature identifies the feeling of loss of personal control as a pathway through which financial challenges contribute to mental health issues and impaired functioning, which in turn further impacts financial wellbeing<sup>91</sup>.

Fear of losing one's home featured repeatedly in lived experience participants' stories, often becoming the prime focus as financial and mental health challenges escalated. The loss of, or threat of losing, secure housing was close to, if not the lowest, point for some who had experienced spiralling debt. This was described as a point at which hopelessness about the situation was pervasive and some participants mentioned having had thoughts of suicide when they had been at this point. This accords with the literature, as noted earlier in this report, which has found a strong relationship between unmet loan repayments and other problem debt with depression and thoughts of suicide<sup>92,93</sup>.

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<sup>85</sup> Australian Psychological Society (2015)

<sup>86</sup> Milner, Page, & La Montagne (2013)

<sup>87</sup> Monash University (2020)

<sup>88</sup> Bond & D'Archy (2020)

<sup>89</sup> For example, see Brackertz (2014)

<sup>90</sup> Holkar (2017)

<sup>91</sup> Price, Choi, & Vinokur (2002)

<sup>92</sup> Turunen & Hiilamo (2014)

<sup>93</sup> Money and Mental Health Policy Institute (2019)

Stakeholder participants also noted that loss of access to secure housing (which can be a consequence of spiralling financial and mental health issues) is a particularly difficult point for individuals to recover from.

- **Neurobiological responses to threat** - There is a growing body of literature describing the impact of trauma, or perceived threat to life or way of life, on the brain, including impacts on the thinking, emotional regulation, and fear centres<sup>94</sup>. Traumatic or threatening situations or events can prompt stress pathways that become embedded in multiple areas of brain functioning, impairing cognition in the moment and responses to later stressful stimuli<sup>95</sup>.

Lived experience participants in this research described major changes to their financial behaviour during periods of crisis during which they perceived a strong threat to survival in addition to impacts on mental health. These included difficulties perceiving options and solutions, difficulties absorbing information and making informed decisions, spending more, forgetting financial obligations, putting off dealing with creditors, taking out loans they would not have otherwise and not completing basic everyday financial management tasks such as meeting bill payment deadlines. This is in line with findings from previous international research<sup>96</sup>.

## STRUCTURAL INFLUENCES

### Inequality in access to support services

International literature shows that access to mental health support services is not equally distributed across populations. In fact, many groups with the highest levels of need often experience the most difficulties accessing support, including people with low incomes<sup>97,98</sup>. The literature documents a number of economic barriers to accessing support, leading to poorer outcomes, including lack of transportation, lack of childcare, beliefs about self-sufficiency, stigma-related concerns, long waiting times for services, high costs, and inflexible work schedules<sup>99</sup>.

Stakeholder participants and several lived experience participants in this research described a number of access barriers to support for mental health and financial challenges including limited services, long waiting times, limited-service hours and limited government subsidisation making supports unaffordable for them.

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<sup>94</sup> Jones, Nurius, Song & Fleming (2018)

<sup>95</sup> Ibid.

<sup>96</sup> Holkar (2017)

<sup>97</sup> Centre for Mental Health (2020)

<sup>98</sup> Alegría, Nakash, & NeMoyer (2018)

<sup>99</sup> Ibid.

## Social inequality

The stresses associated with living in an unequal society, in which access to opportunities and services is unevenly distributed, has been put forward in the literature as a factor exacerbating the negative impacts of financial hardship on mental health<sup>100</sup>. The literature also suggests that social inequality exerts its influence partly due to the tensions that arise when people compare themselves to others with a different level of material advantage<sup>101</sup>. Many lived experience participants in the research echoed this, comparing themselves to others (including peers, family members and acquaintances such as other parents at their child’s school) who seemed to be much better off financially or in terms of their mental health. These comparisons left some feeling inadequate or deficient and were acknowledged to intensify feelings of shame and reluctance to seek help.

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<sup>100</sup> Hiilamo (2014)

<sup>101</sup> Wilkinson & Pickett (2010)

## Experiences and characteristics that increase risk of negative outcomes

This research has identified that people sharing particular life experiences or characteristics can be at increased risk of experiencing negative outcomes as a result of the links between financial wellbeing and mental health. These risks are outlined in this chapter.

### Key observations

- Some personal life events directly impact financial wellbeing and mental health simultaneously, including life transitions, significant relationship losses, traumatic events and their aftermath, work related events and legal issues, placing people at increased risk of negative outcomes.
- Challenging community-wide events such as the COVID-19 global pandemic, natural disasters and economic downturns can also simultaneously impact financial wellbeing and mental health.
- The impacts of life events on financial wellbeing and mental health are cumulative, with greater impacts experienced as the number of challenging life events experienced increases.
- Several groups in the community are more susceptible to experiencing negative impacts from financial and mental health challenges, including young adults, women, First Nations peoples, people experiencing intersectional vulnerability and small business owners.

## PERSONAL LIFE EVENTS

Findings from stakeholder and lived experience participants indicate that there are personal life events that place people at significant increased risk of financial *and* mental health challenges, due to the simultaneous pressures they exert on financial wellbeing and mental health. Examples of such life events, provided by lived experience participants, include:

- **life transitions** such as leaving home for the first time or having a new baby
- **significant relationship losses** such as the death of close family member, separation, divorce or estrangement
- **traumatic events** such as serious illness, accidents or being a victim of crime
- **work-related events** such as redundancy, retirement, job seeking (entering or re-entering the workforce), organisational restructuring, business failure or workplace bullying
- **legal issues.**

For lived experience participants in this research who were already financially or psychologically vulnerable, such events appeared to be ‘the straw that broke the camel’s back’ in terms of their financial wellbeing and mental health. However, the research also found that people from a broad range of backgrounds, even those with stable financial wellbeing and mental health, are subject to the dual impact of these life events. As noted earlier in this report, many with lived experience of such events reported being surprised at how unexpectedly and rapidly such events sent their life into crisis.



Table 1 summarises the types of financial and mental health impacts of personal life events listed above that were reported by lived experience participants in this research.

**Table 1. Simultaneous financial and mental health impacts sparked by challenging personal events**

FINANCIAL IMPACTS	MENTAL HEALTH IMPACTS
<ul style="list-style-type: none"> <li>• immediate income decline or loss</li> <li>• unexpected, increased costs from responding to event</li> <li>• asset loss, or assets becoming frozen or unavailable</li> <li>• housing insecurity or loss</li> <li>• future income loss, if event results in permanent change</li> <li>• financial hardship and material deprivation resulting from increased expenses, and/or income or asset loss</li> </ul>	<ul style="list-style-type: none"> <li>• shock and disbelief</li> <li>• uncertainty and confusion</li> <li>• grief, pain and distress</li> <li>• pressure and overwhelm</li> <li>• anxiety and fear</li> <li>• depression and hopelessness</li> <li>• shame, guilt, a sense of personal responsibility and low self-worth</li> </ul>

## COMMUNITY-WIDE EVENTS

Findings from the literature also echoed in interviews with stakeholder and lived experience participants, indicate that there are also large-scale challenging events that impact both financial wellbeing and mental health at once. The key difference between these events and personal events, however, is that with large-scale events whole communities are affected. While individual experiences of such events can vary, across the community they are associated with similar financial and mental health challenges to those listed in Table 1.

Such events can include:

- **natural disasters** such as bushfire, flood, drought and earthquake
- **public health crises** such as the COVID-19 global pandemic
- **economic downturn or disasters** such as a market crash or recession
- **geopolitical upheaval** such as major political events, conflict and terror attacks.

Stakeholder participants in the research noted that a difference between personal and community-wide adverse events is the absence of a sense of guilt, personal responsibility and shame associated with events impacting the broader community. They identified a sense of solidarity and pulling-together that occurs in some of these large-scale events, which can serve as a protective factor and a prompt for help-seeking and recovery. Reflecting on personal experiences during COVID-19, and recent bushfires, stakeholder and lived experience participants pointed to a challenge in community-wide events of support services being stretched. Some also perceived inequities in terms of access to supports and extent of exposure.

Examples of community-wide life events experienced by stakeholders and lived experience participants in this research are described below, including, where possible, findings from the literature illuminating the ways in which these events can impact financial wellbeing and mental health.

## COVID-19 pandemic

Stakeholder participants in the research reflected that, since the COVID-19 pandemic began, many people had experienced issues with financial wellbeing and mental health for the first time in their lives. In the literature, financial counsellors report more of their clients have been presenting with issues with their mental health<sup>102</sup>. Though few in the Australian community escaped the first two years of the pandemic without some disruption to their normal lives, the more severe impacts of the pandemic have been unequally distributed<sup>103</sup>.

The most common impacts have been on mental health and finances through the mediating influence of social and community connection. Lockdowns have been associated with a sense of isolation and missing cultural or community gatherings, friends and incidental social contact<sup>104</sup>. Some were separated from family, including partners and children, for long periods of time. At an individual level, the financial impact of lockdowns and physical distancing has been positive for those who maintained stable income through this period, and those who saved money while not being able to travel, socialise, entertain or attend events<sup>105</sup>.

Interviewed early in the pandemic, stakeholder participants in this research predicted that the sense of shared community experience of lockdowns and economic disruption could help to decrease social stigma associated with financial and mental health issues. However, the lived experience participants interviewed in the later stages of this research felt they had not observed any signs of a meaningful shift in these areas as the pandemic progressed. This may be due to the entrenched nature of this stigma and the inequitable impacts of financial and mental health consequences of the pandemic, which the United Nations has concluded have fallen disproportionately onto the most financially and psychologically vulnerable in the community<sup>106</sup>.

Stakeholders participating in co-creation workshops later in this research reflected that the disproportionate impacts of the pandemic could even further reinforce the stigmatising view that those most vulnerable to financial and mental health impacts are vulnerable as a result of individual choices and characteristics. There is also emerging evidence in the literature that the pandemic has impacted interpersonal relationships through social stigma associated with the disease itself and a broad range of other experiences, choices and behaviours accompanying the outbreak, including exposure and quarantine, compliance behaviours, attitudes towards lockdowns and mask wearing, and vaccination<sup>107</sup>.

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<sup>102</sup> Financial Counselling Australia (2020)

<sup>103</sup> Friel & Baum (2020)

<sup>104</sup> The Salvation Army Australia (2021)

<sup>105</sup> Australian Bureau of Statistics (2020)

<sup>106</sup> From a speech by the United Nations Chief to the UN General Assembly, June 2020.  
<https://news.un.org/en/story/2020/06/1067502>.

<sup>107</sup> Bhanot, Singh, Verma & Sharad (2021)

Cases of ‘othering’ within media stories<sup>108</sup> and use of negative terms such as ‘super-spreader’ and ‘anti-vaxxer’ may further fuel perceived divisions and risk impacting social isolation and mental health<sup>109</sup>.

The COVID-19 pandemic has also impacted participation rates and the availability of work in many sectors. Lockdowns prevented some businesses from trading altogether and others from trading at full capacity. Early supports in Australia such as the JobKeeper stimulus and cash flow boost payments provided some buffer against the full economic impacts, but restricted economic activity produced a generalised financial uncertainty, and increased fear of job or business loss, leading to falling self-advocacy and workplace social withdrawal<sup>110</sup>. Lived experience participants in this research reported feeling stuck or unable to make significant work-related decisions over the last two years, to seek promotions or pay rises, or to ‘rock the boat’ in any way at work in case they lose hours or their position. Others reported feeling exposed to exploitation by employers as a result of this uncertainty.

Some lived experience participants reported an increase in detrimental coping behaviours during lockdowns such as substance use (e.g. drinking more alcohol than usual) and impulsive actions (e.g. making large online purchases).

A sense of threat was also revealed, with some reporting feeling a need to protect themselves against housing and income insecurity, to the extent that they endured very difficult circumstances, including family violence, to not be without accommodation during this period. These findings are echoed in emerging literature on the impact of the pandemic on women, in particular<sup>111</sup>.

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*And I think with coronavirus, when the different employment sectors get back to work, some people will jump straight back into those and it will have been difficult, but they'll get back on track. People who were already pretty precariously balanced, this may well knock them out and they may not for a long time, if ever, find their way on their feet again, because it's the last straw.*

SERVICE PROVIDER DISCUSSES ANTICIPATED LONGER-TERM IMPACTS OF COVID PANDEMIC

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## Natural disaster

The literature and stakeholder participants in this research note that the impacts of natural disasters affect whole communities, not only financially by destroying assets and livelihoods, but also in terms of mental health through the trauma of the experience itself<sup>112</sup>. Financial and mental health impacts can be further exacerbated by the difficulties experienced in the days and months afterwards in meeting basic needs and obligations, and navigating supports and entitlements.

Lived experience participants who had personal experience of the 2020 summer bushfires in NSW, and stakeholder participants supporting people in the aftermath of the Black Saturday bushfires in Victoria

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<sup>108</sup> ‘Othering’ is defined in the Oxford dictionary as a process whereby individuals and groups are treated as different and inferior from a dominant social group.

<sup>109</sup> Ibid, and Lohiniva, Dub, Hagberg & Nohynek (2021)

<sup>110</sup> Australian Institute of Health and Welfare (2021)

<sup>111</sup> Equity Economics (2021)

<sup>112</sup> Brown & Noone (2021)

in 2009, commented on the impact of the local and broader community mood/attitude in determining both positive and negative mental health impacts of these events. Examples of this include instances of communities pulling together, to support and rebuild, contributing positively to resilience and wellbeing, and the reverse, where a sense of hopelessness among community leaders hinders the recovery of community members. Also identified by a lived experience participant was the impact of the broader community attitude towards those caught up in these bushfires (and the narratives perpetuated in the media) on their mental health, including whether they were lauded as heroes, sympathised with as innocent victims, or criticised as individuals who had made poor or selfish choices (for example failing to adequately plan, failing to leave in time, putting themselves in harm's way and hoarding scarce resources).

## **Economic downturn**

Though primarily impacting finances, living through a significant market crash or recession can have long term financial and mental health impacts. A significant body of Australian and international research has associated economic recessions, downturns and periods of enforced austerity, with increased rates of mental health conditions, substance-related disorders and suicidal behaviours<sup>113, 114</sup>.

Several lived experience participants identified the global financial crisis (GFC), recessions in the 1990s and the dot-com crash in the early 2000s as contributors to ongoing financial and mental health issues in their lives. Examples included people who left school during such periods failing to gain a substantial foothold in the workforce (contending with low self-image and financial insecurity ever since) and two who lost significant portions of retirement savings during the GFC who reported living with low level anxiety and an ongoing perception of scarcity and insecurity ever since. Both of these participants reported an increase in anxious feelings in the early stages of the COVID-19 pandemic when financial markets were in turmoil.

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<sup>113</sup> Frasilho, Gaspar Matos, Salonna, Guerreiro, Storti, et al. (2016)

<sup>114</sup> Fountoulakis (2020)

## COMMUNITY GROUPS MORE SUSCEPTIBLE TO EXPERIENCING IMPACTS

This research has identified several socio-demographic characteristics that place people at increased risk of financial challenges impacting their mental health and/or mental health challenges impacting their financial wellbeing. At a community level, people with these characteristics experience vulnerabilities that predispose them to either financial or mental health challenges, or both, more than others. Key groups identified in this research, and discussed under the following headings, include:

- young adults
- women
- First Nations peoples
- people experiencing intersectional adversity
- small business owners.

### Young adults

The literature shows that, compared to older people, younger adults are more likely to experience financial and mental health challenges<sup>115, 116</sup>. Those aged 15-24 years represent the largest proportion of people experiencing a mental health or behavioural condition, and women in this age group are more likely than others to experience psychological distress<sup>117</sup>. Young adults (aged up to 24 years) are more likely to be in less secure work, have less secure housing and to lack a buffer of savings or assets to draw on in an emergency<sup>118</sup> than older adults. These circumstances mean younger adults are more vulnerable in economic downturns, often being the first to be let go from jobs, and face difficulties entering the workforce on graduation from education during periods of economic recession, which can dramatically affect earning potential and life trajectories as a result<sup>119</sup>. Over recent years in Australia, young adults have also experienced lower wage and wealth growth and larger barriers to home ownership than previous generations of young adults, setting them up for greater financial precarity relative to earlier cohorts<sup>120</sup>.

Analysis of the HILDA dataset supports the literature with younger adults found to be significantly more likely than those of older ages to experience financial hardship, to experience symptoms likely to indicate a mental health condition and to experience both together<sup>121</sup>.

Stakeholder participants observed that, relative to older people, younger adults can lack the experience to make financial decisions that will be in their longer-term best interests, particularly during life transition points, such as entering the workforce, leaving home or having a first child. This was also observed in the stories of younger lived experience participants who had fallen into unmanageable debt during these transition points. These participants observed that they incurred living expenses and made purchases at these stages with limited consideration of the future consequences and with limited

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<sup>115</sup> ABS (2018)

<sup>116</sup> Brown & Noone (2021)

<sup>117</sup> Ibid.

<sup>118</sup> National Skills Commission (2020)

<sup>119</sup> Ibid.

<sup>120</sup> Tiller, Greenland, Christie, Kos, Brennan & Di Nicola (2021)

<sup>121</sup> Based on analysis of Wave 18 of HILDA data release 18.0 V2.

awareness of options available to them. They reported feeling susceptible to the pull of easy (high interest) finance options such as buy now pay later, payday loans and other high interest micro-finance products without sufficiently understanding that these choices could put them in further and more difficult-to-service debt.

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*I had to use [buy now pay later service] and take out loans to actually pay for the baby stuff, because at the time I was on a really low income. Unfortunately, I fell into debt with [payday] loans because their interest was very high, so I wasn't able to keep on top of the debt and ended up having to owe more than I borrowed... It would be better if they taught young people how to budget better, and about taxes and stuff, but also took time out for people like me that have had negative upbringings, because a lot of my debts have been my own fault with how compulsive I am buying something that I probably don't need.*

YOUNG MOTHER DESCRIBES UNMANAGEABLE DEBT INCURRED WITH ARRIVAL OF NEW BABY

*A lot of my mental health struggles around finance are also intertwined with rejection, employment rejection and associated feelings of failure, because I have a strong work ethic and I was just really disappointed and angry that I couldn't find work when I graduated. It took me eight months to even find a job and that was a minimum wage hospitality job, which comes with a bunch of stresses in that my hours were never guaranteed and obviously wages were fairly paltry as well, so I had to borrow money from my sister just to help pay rent and pay basic bills, because obviously my parents couldn't continue to support me.*

YOUNG PERSON DESCRIBES THE FINANCIAL AND MENTAL HEALTH IMPACTS OF DIFFICULTIES GAINING EMPLOYMENT POST-GRADUATION

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Some stakeholder participants in the research theorised that efforts to address mental health stigma in recent years may have resulted in young adults being more open to discussing and seeking help regarding their mental health than older adults. However, young people with lived experience of financial and mental health challenges perceived strong stigma and reported shame associated with their mental health and financial circumstances in line with that reported by older lived experience participants. Younger lived experience participants mentioned comparing their achievements to the achievements of peers and feeling themselves lacking or behind where they should be. They also expressed frustration at external events such as the COVID-19 pandemic, and anger and despair about climate change, both of which they perceived to be delivering a challenging legacy for them to navigate, through no fault of their own, impacting their future prospects and their current financial wellbeing and mental health.

Emerging literature shows the COVID-19 pandemic has disproportionately impacted young Australians relative to older people. In the first year of the pandemic, impacts on younger people were both financial and psychological, with younger people being more likely to lose work hours or be stood down as a result of lockdowns and restrictions, and more likely to report psychological distress, worries about finances and feelings of social isolation<sup>122</sup>. Stakeholder participants in this research echoed these

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<sup>122</sup> Australian Institute of Health and Welfare (2021)

findings, citing internal research which revealed the COVID-19 pandemic has impacted young people's optimism for the future, increased client concerns regarding future financial security due to setbacks incurred over this time, and increased visits to the Moneysmart website by young people over this period.

As Australia moved through its third COVID-19 outbreak wave (in winter 2021), those aged under 40 were disproportionately experiencing a diagnosis of COVID-19 relative to older Australians, being among the last community groups to be eligible for vaccination<sup>123</sup>. Emerging literature at this time indicated that high levels of psychological distress among young people had persisted over the course of the pandemic, despite improving somewhat for older people<sup>124</sup> and that young adults themselves perceived the pandemic has negatively impacted their mental health, educational outcomes, employment, financial security and housing security<sup>125</sup>.

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*I'm not handling it [lockdown] well at all. I was already pretty isolated, but there were still two or three people I'd try and catch up with every fortnight, just have a cuppa, and not being able to do that, I'm definitely feeling more isolated and basically just all my mental health is exacerbated. Mood swings that I get sometimes are exacerbated, anxiety, the depression, they've both definitely gone up.*

YOUNG PERSON DESCRIBES THE IMPACT OF COVID LOCKDOWN ON MENTAL HEALTH

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## Women

It is well established in the literature that, compared to men, women are more likely to experience life circumstances that are associated with financial precarity<sup>126</sup>, including lower pay for the same work, greater time out of the workforce in unpaid caring roles and associated lower lifetime income earning potential and superannuation balances. Women are more likely than men to be single parents raising dependents, to have to flee their homes to escape family violence, to be financially dependent on a partner and to experience homelessness. They are also less likely than men to exclusively own property<sup>127</sup>.

These types of experiences (for example, being a single parent) are themselves associated with lower levels of psychological wellbeing, but Australian women as a demographic group are also more likely than men to report high or very high levels of psychological distress and higher rates of depression and anxiety as a result of a broad range of other factors, including fertility-related and perinatal experiences, caring responsibilities and gender-based discrimination<sup>128, 129</sup>.

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<sup>123</sup> Australian Institute of Health and Welfare (2021b)

<sup>124</sup> Biddle & Gray (2021)

<sup>125</sup> Tiller, Greenland, Christie, Kos, Brennan & Di Nicola (2021)

<sup>126</sup> Equity Economics (2021)

<sup>127</sup> Ibid.

<sup>128</sup> Australian Bureau of Statistics (2018)

<sup>129</sup> Saunders & Zhu (2009)

Analysis of HILDA data also demonstrates that women are significantly more likely than men to be experiencing financial hardships and symptoms likely to indicate a mental health condition together<sup>130</sup>.

Women face further vulnerability as a result of the COVID pandemic. Multiple studies in the literature have concluded that women have borne the brunt of economic and psychological impacts from COVID compared with men, including:

- greater job losses and workforce participation drop out
- increased demands on time and energy from supporting school children with home learning and attending to family needs in lockdown
- higher levels of psychological distress
- increased homelessness and housing insecurity through this period<sup>131, 132</sup>.

Female lived experience participants in the research reflected the breadth of these findings in relation to their experiences with financial and mental health challenges. The experiences of these participants also revealed the risks to later financial wellbeing and mental health associated with financial dependence. A number of stories revealed how women who described their financial wellbeing and mental health as previously relatively strong found themselves facing significant challenges as relationships ended (either through divorce or death) with partners on whom they had been financially dependent. A big barrier to these women regaining their financial security after these relationships ended was the difficulty they experienced in obtaining home loans as single women.

Other women's stories revealed them supporting partners and adult children through their challenges to the detriment of their own mental health and financial futures.

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*My financial situation has been worsening since I separated with my husband. There was ongoing domestic violence in the relationship, which got exacerbated by COVID. My husband lost a job, and then it fell on me to pay the mortgage and the bills and everything else and it got very stressful. I thought that I can't live on my own without his support, but I couldn't bear the domestic violence, so it was a very tough decision.*

WOMAN DESCRIBES FINANCIAL AND MENTAL HEALTH IMPACTS OF SEPARATION

*The marriage had been on the rocks for quite a while. The finances had a big impact on that, it was really, really stressful, like we were at the point where we just had so many debts that you sort of feel like you're paying debt with debt, and I felt like he was always spending money on frivolous things... I actually asked him to leave which was really difficult. I just wanted to get out of that situation, the marriage, and the finances as well, and I couldn't do it with him.*

MOTHER OF 3 DESCRIBES INITIATING SEPARATION FOLLOWING FINANCIAL SPIRAL

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<sup>130</sup> Based on analysis of Wave 18 of HILDA data release 18.0 V2.

<sup>131</sup> Equity Economics (2021)

<sup>132</sup> Biddle & Gray (2021)



## First Nations peoples

The strong and enduring cultural identity and sustained connection to community and family of Australia's First Nations peoples have supported resilience in the face of intergenerational trauma and hardship brought about by colonisation<sup>133</sup>. Further, rising rates of income, educational attainment and home ownership indicate some improvements in closing the gap. Australia's First Nations peoples, however, are still more likely than others to experience poverty, financial hardship, material deprivation, a lack of emergency funds, long term unemployment, physical illness, psychological distress, mental health conditions and suicide<sup>134</sup>. Analysis of HILDA data supports this literature, with First Nations peoples found to be overrepresented among those who experience financial hardship and symptoms likely to indicate a mental health condition<sup>135</sup>.

A broad range of factors contributing to positive and negative mental health outcomes for Australia's First Nations peoples have been identified in the literature<sup>136</sup>. The following factors have been found to support social and emotional wellbeing:

- social connectedness and sense of belonging
- connection to land, culture, spirituality, and ancestry
- living on or near traditional lands
- self-determination
- strong community governance
- passing on of cultural practices.

Conversely, factors increasing the risk of negative impacts on mental health and wellbeing include:

- widespread grief and loss
- impacts of the Stolen Generations and removal of children
- unresolved trauma
- separation from culture, and identity issues
- discrimination based on race or culture
- economic and social disadvantage
- physical health problems
- incarceration
- violence
- substance misuse.

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<sup>133</sup> Summarised in Holland, Dudgeon & Milroy (2013)

<sup>134</sup> Ibid.

<sup>135</sup> Based on analysis of Wave 18 of HILDA data release 18.0 V2.

<sup>136</sup> Risk and protective factors summarised by Beyond Blue at <https://www.beyondblue.org.au/who-does-it-affect/aboriginal-and-torres-strait-islander-people/risk-factors>.

The experience of some of the factors listed above, such as physical health issues, substance use and traumatic life events, is demonstrated in this research to also have financial consequences. Examples include increased living costs and reduced ability to secure and maintain employment<sup>137</sup>.

First Nations peoples in Australia were identified early in the COVID-19 pandemic as being particularly susceptible to health, financial and mental health impacts. Chronic disease, housing characteristics and inequitable access to health services increased the risks of COVID-19 infection and of severe illness<sup>138</sup>. Some reports suggest First Nations peoples on the east coast of Australia were disproportionately impacted by Australia's third COVID-19 wave in mid-late 2021, being infected at twice the rate of non-Indigenous Australians<sup>139</sup> and First Nations peoples who were lived experience participants in the research also reported being affected by prolonged lockdowns at this time. These participants reported social isolation, being cut off from family, limited access to services, reduced work hours and fears of re-traumatisation from government intervention in the community. Across Australia, however, the prompt early intervention by National Aboriginal Community-Controlled Health Organisations (for example, in supporting local pandemic planning and communications) has been identified as having been successful in minimising COVID-19 impacts on Australia's First Nations peoples overall<sup>140</sup>.

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*They locked the community down. I couldn't see my family for a while. That was scary as well, knowing that the government can just lock down our community. There's less than 5000 people in that community, and a lot of people with chronic health issues, so COVID could probably wipe it out. But they had the army at the bottom of the range, and it was scary. My daughter suffers from anxiety, she takes medication for it as well. It's just a 40-minute drive and not being able to see them, it was hard.*

FIRST NATIONS WOMAN REFLECTS ON COVID LOCKDOWN OF SMALL COMMUNITY

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## People experiencing intersectional adversity

Cross-membership of communities with increased susceptibility to financial wellbeing or mental health challenges, can further increase vulnerability to the combined impacts of these challenges. Examples identified by stakeholder participants in this research include young, female, culturally diverse and/or First Nations people who also identify as LGBTQI+, where experience of multiple discriminations can compound economic and social isolation, and impact self-worth and self-efficacy.

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*If you look at First Nations people in Australia, [individual types of adversity] would be bad and the combination worse. But then if you are a gay Aboriginal man, for instance, who experiences the intersection of these in a particular way, the accumulation of them, and particular lifetime vulnerabilities as a community, that's definitely something to look at.*

SERVICE PROVIDER DISCUSSES INTERSECTIONAL VULNERABILITY

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<sup>137</sup> Refer to this report, chapter *How money and mental health influence each other*, p.29

<sup>138</sup> Thurber et al. (2021)

<sup>139</sup> See: <https://www.theguardian.com/australia-news/2021/oct/14/indigenous-people-infected-with-covid-delta-strain-at-twice-the-rate-of-other-australians>

<sup>140</sup> Crooks, Casey & Ward (2020); Stanley et al (2021).

## Small business owners

The reciprocal impacts of financial and mental health challenges are particularly evident in the lives of small business owners, given how closely their financial security and identity, and sense of self-worth and contribution, are tied to their business. Stakeholder participants in the research providing supports to small businesses noted how fragile the finances of some businesses can be, with many small businesses failing in their early years. These stakeholders identified several features of small businesses that render them more vulnerable to the impact of financial challenges on mental health, including:

- having a single owner or co-owners that are related (e.g. life partners or siblings)
- being family-owned and transitioning to the second generation of ownership
- having employees who are not involved in decision-making
- having grown quickly around an owner who excels at doing the work, but lacks business skills
- operating in socially or economically disadvantaged areas, or those at risk of natural disasters.

The types of businesses listed above were also noted by stakeholders to be more likely to have:

- high stakes consequences for personal relationships which are closely entwined in business decisions and finances
- business owners that feel isolated and alone in shouldering difficult decisions, and solely responsible for consequences that may affect others they care about
- a lack of diverse viewpoints in decision-making and/or business management skills.

The COVID pandemic has impacted small businesses unequally across Australia<sup>141</sup>. By the end of the first year of the pandemic, the economic outlook was positive, as the focus turned to recovery and insolvency statistics demonstrated fewer businesses had entered insolvency processes than in pre-COVID years. Businesses appeared to have been bolstered through the worst of the first year by government stimulus, rent freezes, loan repayment freezes and a moratorium on tax debts<sup>142</sup>.

However, different public health settings across the country, and in response to the third wave of COVID-19 outbreaks in 2021, resulted in an uneven distribution of financial impacts across the country and across sectors. Small businesses are clustered more in industries that were most impacted by restrictions and lockdowns, including hospitality, retail, arts and recreation, travel and tourism<sup>143</sup>. On the other hand, businesses in agriculture, real estate, and construction<sup>144</sup>, and retail businesses operating online<sup>145</sup> appeared to have fared relatively well through the first two years of the pandemic.

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<sup>141</sup> Summarised by Hall and Willcox, [https://hallandwilcox.com.au/thinking/insolvencies-in-australia-a-tale-of-two-covids/#\\_ftn2](https://hallandwilcox.com.au/thinking/insolvencies-in-australia-a-tale-of-two-covids/#_ftn2)

<sup>142</sup> Ibid.

<sup>143</sup> Ibid.

<sup>144</sup> Ibid.

<sup>145</sup> Deloitte Access Economics (2020)

The pandemic appears also to have added to the already high levels of stress and feelings of anxiety and depression that small business owners typically report facing, particularly in sectors hit hard by lockdowns, such as retail and hospitality<sup>146</sup>.

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*When we're talking about the mental health of the impacts of small business, first of all, it's self-worth. Second of all, it is a responsibility to feed my children, my family, put a roof over their head, etc, and the impact of becoming insolvent says, 'I'm a failure', not just to my partner and children, but also to family, friends, when I'm applying for another job... there is a sense that my life, or my life in business, can be over.*

SERVICE PROVIDER DISCUSSES RISKS FOR SMALL BUSINESS OWNERS

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<sup>146</sup> MYOB (2021)

## Supporting wellbeing

**This chapter discusses how Australians typically engage in help-seeking and problem solving in the face of financial and mental health challenges, the barriers they face, the successes they have and the opportunities that understanding these experiences reveal for more effectively supporting wellbeing.**

### Key observations

- This research identifies ‘turning points’ in experiences that can be the catalyst for improvements in financial wellbeing and/or mental health, including intervention by friends, family, service provider staff and employers.
- ‘Upward spirals’ are reported occurring after a turning point catalyst, in which positive improvements in financial circumstances lead to positive improvements in mental health and vice versa.
- Those experiencing financial and mental health challenges typically engage in help seeking and problem-solving multiple times before reaching crisis point, with mixed success. Set-backs in help-seeking prompt increased feelings of shame and inhibit further help-seeking.
- Several personal, situational and structural barriers exist which prevent earlier, and more appropriate, support being accessed and received.
- Stakeholder participants in the research identified a range of opportunities to build on positive activities already occurring and to design additional supports across a number of areas, including service design, service provision, education and communication, cross-sector collaboration and referral, and systemic, policy and regulatory changes.
- The research findings yield a novel lens (Figure 10) through which to understand the relationships between financial wellbeing and mental health, and how and why experiences in one area lead to outcomes in the other. This lens can be used to identify those at risk or needing support, to assess the efficacy of existing products, services and supports and to aid in the design of new interventions.

### TURNING POINTS PROMPTING RECOVERY

This research identified a broad range of ‘turning points’ that can be the catalyst for improvements in financial wellbeing and/or mental health. Lived experience participants often recalled the turning points in their experiences as having been arrived at by accident and less as the result of direct help-seeking. This may be due to the myopia and hopelessness they reported feeling at crisis points, reliance on ineffective help-seeking strategies prior to crisis, and/or gaps in existing supports available.

Some examples of the range of turning points and effective supports lived experience participants described on the road to stabilising or regaining financial wellbeing and mental health included:

- **A person providing a new perspective**, encouragement and/or emotional support, for example a financially savvy new partner suggesting approaching a bank again for a loan that was previously declined, and a colleague suggesting checking for income protection insurance coverage in their superannuation.

- **Hitting 'bottom'**. This differed for different people, but many had experienced quite extreme crises before their circumstances began to improve, for example debt collection reaching the default stage, legal consequences or a jail sentence, thoughts of suicide and suicide attempt, bankruptcy plans and actions, business insolvency, being involuntarily admitted to a residential mental health service, and being turned away from food relief. These 'rock bottom' moments appeared to bring a clarity and openness in which people decided they needed to make major personal changes and/or reach out for professional help (often firstly through crisis phone lines).
- **Hiding no longer being effective**. In these cases, a third party had noticed and stepped in, for example an employer noticing symptoms of a mental health condition, an employer suggesting connecting with the Employee Assistance Program, or childcare centre staff suggesting financial counselling.
- **A new area of competence** building confidence and self-efficacy. For example, returning to study or volunteering to help others facing similar challenges which in turn prompted positive actions in other areas.

Some turning points observed in this research came from service providers offering effective support or advice. In some cases, this was the result of the service provider doing their job well in diagnosing the issue and referring to appropriate additional supports. For example, this included a GP recommending free online mental health resources and rehabilitation hospital staff suggesting sources of financial assistance. In other cases, lived experience participants felt the turning point came from a service provider's employee going above and beyond their usual role.

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*It did actually end up being that one of the credit card people, she actually gave me a bit of a break and to be honest this helped substantially. I don't think they normally do it, she said, 'I will stop charging interest on this card and you just pay off what you've got on there', and that was my first real – this was after several years, and you'd paid it off three times over with all the interest and everything - but yeah, they actually cut me a break.*

MAN RECEIVES AN UNEXPECTED BREAK FROM CREDIT CARD PROVIDER

*My new partner said I think you should go in and try and get the loan in your name again, so we went through the process, and I had him there and I actually got the loan into my name, and that was like a miracle, I didn't think that was ever going to happen.*

WOMAN FINALLY SECURES FINANCE FOR HER HOME LONG AFTER BEING TURNED DOWN WHEN HER SPOUSE DIED

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Stakeholder and lived experience participants both identified 'upward spirals' occurring after a turning point catalyst, in which positive improvements in financial circumstances lead to positive improvements in mental health and vice versa. Lived experience participants observed through this process a gradual opening up of their perspective and perceived options, a building of self-efficacy and confidence, a broadening of connections and eventual re-engagement socially and with the community.

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*I was actually knocked back for a house loan the first time. I was angry about it to be honest because I thought, I'm actually doing so much better than I used to be and yet when we had two incomes, they wanted to loan us heaps of money. So, I didn't understand, and I felt almost discriminated against as a single person, and maybe as a woman. I went through a mortgage broker the second time a few months later when I put some more money together, just in case that was the issue, and it was so easy.... And that was a real game changer for me because it made me see that I could save, and I had been able, and the funny thing is, I have been able to save and pay everything by myself. I was debt free."*

WOMAN REGAINS SELF-EFFICACY FINANCIALLY AFTER DIVORCE

*I tried four or five different types of grief counselling. The one who really helped me, she wasn't qualified to do anything, she was just a nun. It was really simple, she just treated me like a human being... Now, I sit on two committees, I do a lot of environmental work as well ... The best way to actually stop worrying about going down your own holding pattern or spiral was to get out there and stop others from doing that.*

MAN RECEIVES SUPPORT AND SEES GIVING BACK AS AN IMPORTANT PART OF HIS RECOVERY

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## HELP SEEKING & PROBLEM SOLVING

Stakeholder and lived experience participants in this research revealed that those facing financial and mental health challenges typically do engage in some form of help-seeking and problem solving before reaching a crisis point. However, this research found they often attempt to solve problems with multiple ineffective or sub-optimal approaches as their situation deteriorates before a turning point is reached.

The stories of lived experience participants revealed several reasons why initial help-seeking can be unsuccessful or ineffective, and examples of this, including:

- accessing supports at unsuitable time points, for example seeking debt consolidation loans to cover debts that are already in arrears, which renders them ineligible
- financial supports having complex, stringent or opaque eligibility criteria and application processes
- mental health supports being expensive or otherwise difficult to access, for example waiting lists to access public mental health services and high fees for private practitioners
- supports being too time-limited to have a lasting impact, for example offering a limited number of sessions, short grace periods to catch up on arrears, temporary pandemic relief
- supports exacerbating perceived stigma and feelings of shame, for example, high thresholds of proof required to prove financial hardship, having to repeat one's story at multiple contact points
- inflexibility of supports and failing to take into account the individual's broader circumstances, for example debt collection processes not taking into account the circumstances of the arrears, such as assets and accounts being frozen
- supports being fragmented or having too narrow a focus to make a substantial difference, for example financial counselling failing to consider mental health contributing factors or impacts and failing to refer to appropriate support

- focusing only on providing immediate support rather than building capability, or focusing on only higher order needs, for example providing crisis cash or gift cards without referral to further support
- facilitating the deferral of problems or creating greater issues at a later date, for example using credit to pay credit, high-interest short term loans and withdrawal of superannuation.

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*All of a sudden, someone grabbed the boardgame and just threw everything up in the air. I was now down to one income, and because there was no will, for the next 18 months my life was governed by probate. Four to six times a day I would get a call from financial institutions, every day, seven days a week, with threats... Reliving the love of your life's death and sending the death certificate so many times after that, you just go on autopilot, and you suddenly become not emotionally attached to society at all.*

MAN DESCRIBING FINANCIAL INSTITUTION INTERACTIONS IN THE WAKE OF PARTNER'S SUDDEN DEATH WHICH LEFT ACCOUNTS FROZEN FOR 18 MONTHS

*They were just talking off a script, and there was limited flexibility, 'You need to agree to when you're going to pay this amount', 'You need to give us a date', and you could talk for an hour about how bad your circumstances are. I tried this at the start. They'd call back the next day and there's no record of you talking to them, because you haven't given them that date, you haven't given them that promise, and then if you do give them a promise to pay them that amount by next week and you don't, or you pay it a day late, then they won't enter into future agreements with you because you've broken your promise.*

MAN DESCRIBES DIFFICULTIES COMMUNICATING WITH CREDITORS

*You should be able to have a representative or a case manager, so if you're in a lot of trouble then you ring up the same person that knows your story... You feel like there's no point talking to them after a while, because you tell them what's going on and they don't record it, there's nothing on those letters about where you can go and get assistance.*

MAN EXPERIENCING DEBT SPIRAL DESCRIBES EARLY HELP-SEEKING & UNMET EXPECTATIONS

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Further, it appears that people become worn down by repeated exposure to the help-seeking process, which can be uncomfortable and dispiriting, and which then inhibits additional or more appropriate action being taken. The stories of lived experience participants revealed this wearing-down happening for a number of reasons:

- **People feel stigmatised** when reaching out for help, evoking shame, which then leads to anticipation of a similar response if they try reaching out for help via other avenues. Examples from this research included receiving judgemental or unhelpful responses from friends and family when asking for financial assistance or disclosing mental health struggles, having details provided challenged by service provider staff, and having to repeat one's story to multiple representatives of a service provider.
- **A lack of success from initial help-seeking leads to reduced self-efficacy** and sense of agency during the process of seeking help. Lived experience examples from this research included having applications for debt consolidation or home refinancing loans being turned down, eliciting an avoidant response where help seeking stops and problems start being ignored.



- As circumstances worsen, **myopia increases and the cognitive impacts of increasing stress** impair clarity and appropriate action. Many reported perceiving a narrowing of their options and an increasing sense of desperation and hopelessness as they struggled to turn their situation around.

Lived experience participants described unsuccessful help-seeking experiences as escalating their recriminating thoughts and deepening feelings of shame and isolation, which led to increasing avoidance and hiding of problems. By the time lived experience participants did face the full extent of their problem or expose it to a person or service that could more effectively help them, their need was generally very urgent.

On reflection, most with lived experience of this situation in the research did express the view that they would have benefited from making more effective choices earlier on in their experience or through more effective supports being apparent or more available to them at that point. The stories of lived experience participants in this research revealed several personal, situational and structural barriers to earlier successful intervention in their cases, including:

- an initial strong belief that financial and/or mental health issues could be handled alone or without formal intervention/professional help
- failure to appreciate the extent of issues prior to reaching crisis point
- over-confidence that supports would be available when they were later needed (including support of family and friends, free mental health services, hardship supports and finance options)
- lack of awareness of the range, nature and limitations of support options that were available to them
- easy (too-easy) access to credit in terms of application, eligibility criteria and process (for example not needing to explain circumstances or reveal other debts) compared to more substantial support options
- remote/impersonal communication channels with financial institutions (e.g. chat bots, call centres, text messages), meaning their full circumstances remained unknown and unrecorded
- absent or ineffective systems or processes in relevant sectors or at relevant touchpoints that could identify early indicators of financial and/or mental health issues
- the siloed nature of supports and poor referral pathways between them.

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*You're genuinely trying to seek assistance from them and all they're doing at every turn is just saying no... it's just a continuous wall of no, and then when you do call them up to try and get more information about it, you're met with walls of sorry, we can't answer the phone, you only have self-service available, we can't give you any more information, but you need to give us more. They never give you anything solid to go on, they give you roughly vague information that might help if you knew what you were doing.*

MAN DESCRIBES APPLYING FOR INCOME SUPPORT FOLLOWING TRAUMATIC INJURY WHICH LEFT HIM UNABLE TO WORK

*I sat in a lot of mental health meetings with my eldest son, and they focus very hard on how he came to where he was and what had happened to him, not once was finance mentioned... for about six months that was never brought up, not once. It was all to do with the situation and how to get him through that... to feel like he wants to move forward, but to move forward really the financial side was almost, we were doing that behind him, when really it would have been logical to actually ask that question and say, 'Okay, let's get some help onboard for you here', but that didn't crop up.*

WOMAN SUPPORTING ADULT CHILD THROUGH FINANCIAL & MENTAL HEALTH CRISIS

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## SUGGESTED SUPPORT OPPORTUNITIES

Stakeholder participants in the research highlighted a broad range of opportunities to better support financial wellbeing and mental health, through the adoption or extension of positive activities currently being considered and implemented within Australia and across other jurisdictions, and through the design of new approaches.

Overall, stakeholder participants agreed that raising awareness within and across sectors of the issue (the interconnectedness between financial wellbeing and mental health) and the supports that are currently available, is an essential first step in supporting financial wellbeing and mental health. Stakeholders also expressed a belief that fully addressing financial and mental health challenges requires a broad perspective and framing. It was observed that all Australians can ultimately benefit from better-designed and more widely accessible services and supports in relation to financial wellbeing and mental health, not just those facing challenges or long-term disadvantage, or those at highest risk of falling into crisis.

Stakeholders participating in the research through collaborative workshops identified a range of potentially beneficial new and expanded supports. These suggested supports fell broadly into five categories:

- service design
- service provision
- education and communication
- cross-sector collaboration and referral
- systemic, policy and regulatory changes

The suggested supports under each of these five categories are set out in Table 2. Many of the suggested supports relate to the finance sector but are potentially applicable across a wider range of sectors that Australians interact with, including retail, health, government services and the NGO sector.

**Table 2. Financial wellbeing and mental health supports suggested by stakeholder participants**



### SERVICE DESIGN

- a single hub providing access to connected, holistic support and/or co-located financial counselling and mental health services
- self-imposed spending limits on debit cards, at certain retailers or on certain expenditure types
- self-set view-only bank account access
- double confirmation of transactions and cooling off periods
- a death notification process recognised across all service providers
- early intervention services targeted to life transition points and/or key settings, e.g. work, university, hospitals, services
- peer-worker models for financial wellbeing support
- changes to pay structure and bonuses for debt recovery teams



### SERVICE PROVISION

- enabling preferred communication options
- allowing third parties to interact with service providers on clients' behalf, or provide guidance on client preferences, needs and limitations
- customisable banking notifications, e.g. alerts for certain transactions, credits and debits, and automatic payment reminders
- data analytics used at customer level to guide self-imposed limits and at institutional level to identify early indicators - proactively using information to educate or guide towards supports
- specialist financial service teams providing support to those in extreme crisis and/or targeted provisions or guidance for those experiencing certain challenges
- more direct and transparent feedback on denied applications



## EDUCATION & COMMUNICATION

- raising awareness of financial wellbeing and mental health links, including that everyone in the community can be affected
- increasing consideration across the financial and mental health sectors of reciprocal relationships and sense of shared responsibility for supporting wellbeing
- reframing language away from vulnerability, towards resilience and support
- staff training and language guides; building capacity to demonstrate empathy, identify challenges and direct to appropriate support
- normalising and further destigmatising issues, for example, through real-life stories of impacts and recovery; encouraging open communications about finances
- continued focus on increasing financial capability across the lifespan
- consumer education on support options, rights and risks, for example decision support tools or map of supports, with promotion at key early intervention points



## COLLABORATION & REFERRAL

- multidisciplinary support teams drawn from broad range of sectors intersecting with this issue, including financial services, financial counselling, social workers, charities, utilities, retail, government services, health and legal/justice
- cross-sector collaboration to identify complementary solutions that can be adapted and adopted in adjacent sectors, for example retail, banking, health and mental health working together on payment limits and evidence/notification forms
- cross-sector collaboration to align language and messaging across sectors



## STRUCTURAL, POLICY & REGULATION

- continued focus on consumer protections addressing growth in easy-to-access credit options, including on confusing terms or predatory marketing
- continued focus on minimising consumer harms from debt collection processes
- industry-level codes of conduct regarding people and/or life events in need of additional support
- extending government investment in financial counselling to increase availability or align with other mental health service funding models
- reviewing impact of recent changes to insolvency laws and determining if additional changes could further support enterprise
- encouraging industry-level campaigns/commitments supporting financial wellbeing and mental health

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*Now, if they spoke to a trusted advisor, who was armed to know what to say, they can be the bridge between the person and mental health, and I think there needs to be greater support for the development of bridges, rather than for the agencies themselves.*

SUPPORT SERVICE PROVIDER REFLECTS ON BENEFITS OF CLEAR REFERRAL PATHWAYS

*Our clients receive a lot of calls from debt collectors, from creditors, and those proactive calls can raise anxiety, particularly when they're from private numbers. So, then they start not answering their phone because they think it's a debt collector. So, I think the issue of proactive contact by institutions is something that's nuanced and really to be thought through. Rather than a call, even a text message is less intrusive and can actually give the person some agency about whether they respond or not.*

SERVICE PROVIDER DESCRIBES THE CHALLENGES OF PROACTIVE CUSTOMER CONTACT

*We've recently started using a chat option, and we're just noticing that it's a cohort of people that much prefer that rather than having to speak... we assumed it was just young people who'd use the chat and that's not the case, it's actually across the board. People liked having that option to not have to speak to someone. I think it's less daunting to not have to fully articulate and say it out loud.*

SERVICE PROVIDER DESCRIBES BROADER BENEFITS OF FLEXIBLE COMMUNICATION OPTIONS

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### SHOWCASE: ASIC Moneysmart website

Moneysmart is an Australian Government website designed by ASIC which helps Australians take control of their money and build a better life with free tools, tips and guidance. The content provided through the Moneysmart website and its associated social media channels helps Australians become more informed consumers and make decisions about their finances. Included in the content is a recognition that money impacts mental health and can positively and negatively affect wellbeing.

Moneysmart's aim is to provide the starting point for people to find help for financial challenges and direct them to the support services most equipped to help them with issues for which they may be seeking support. The website includes content relating to scams, financial hardship, dealing with illness, divorce and separation and problems paying a mortgage.

Users can link through to relevant financial and mental health support services from the Moneysmart web pages. Included are links to a range of support services such as the Lifeline Crisis Chat and home page, Beyond Blue web chat and home page, Family Relationships advice line, 1800 Respect website and National Debt Helpline website. Messages about the relevant support services that are available are amplified through Moneysmart social media channels where appropriate.

In 2021, there were 372,010 unique pageviews of the Moneysmart content pages which contain help links. From these pages alone, 4,211 users clicked through the links to reach more support.

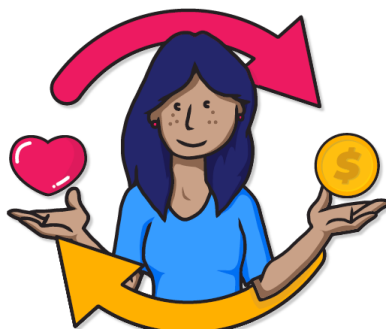


### SHOWCASE: Beyond Blue 'Money on your Mind' campaign

Beyond Blue recognised that money became a pressing issue for many people in Australia during 2020, with more people than ever experiencing financial stress in Australia due to the impact of the COVID-19 pandemic, and with the potential impacts expected to be felt for years to come.

Beyond Blue and its partner Financial Counselling Australia responded with a joint campaign, 'Money on your mind', which launched in late 2020 to raise awareness of the reciprocal nature of financial wellbeing and mental health and encourage help seeking. The campaign was shared across social media and radio and aimed to help people find the right resources and supports in times of financial stress. It also educated people on the link between financial stability and mental health through directing them to information on the campaign landing page, <https://www.beyondblue.org.au/get-support/staying-well/financial-wellbeing>.

The campaign had an overwhelmingly positive reception among the community. To date, over 34,000 people visited the page, helping them access support through the National Debt Helpline and Moneysmart resources.



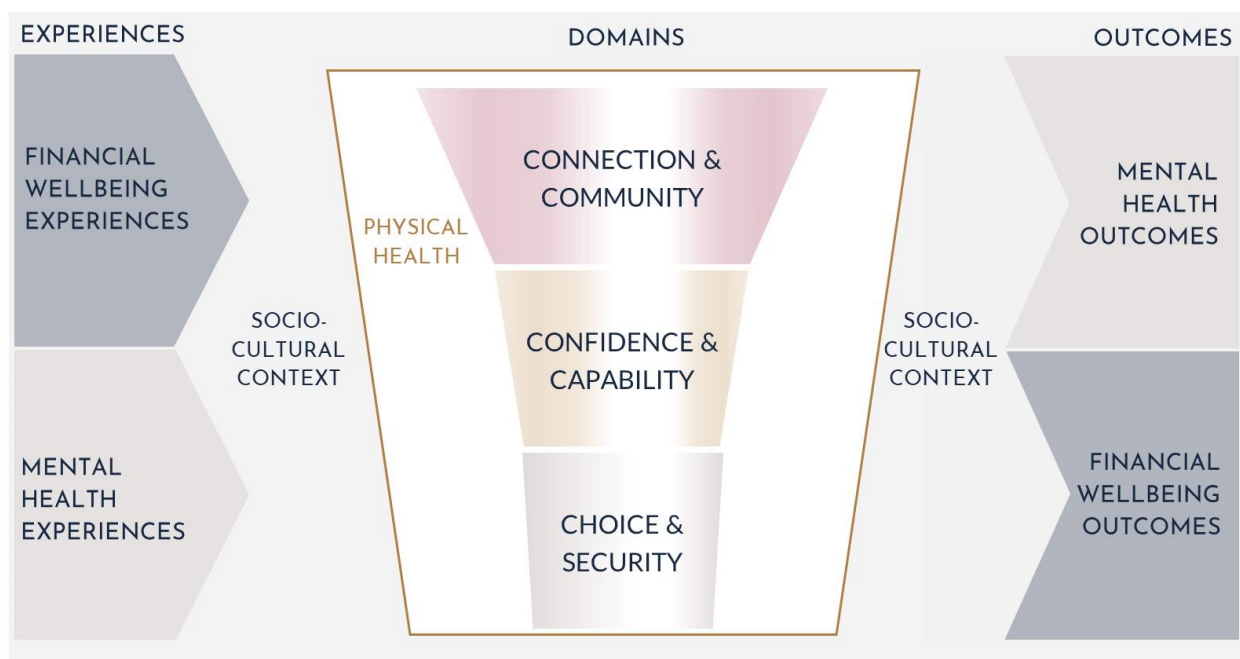
**Getting on top of your finances can help in more ways than one.**

[beyondblue.org.au/financial-wellbeing](https://www.beyondblue.org.au/financial-wellbeing)

## A LENS TO INFORM PREVENTION AND RECOVERY SUPPORTS

The findings from this research have been used to develop a lens through which the mutual relationship between financial wellbeing and mental health can be seen and understood. This lens can help inform the design of new interventions and can be used to review existing products, processes, services and supports to ensure they are effective and not unintentionally undermining financial wellbeing and/or mental health. This lens is summarised in Figure 10 and described further in the following sections.

**Figure 10. Lens illustrating how financial wellbeing and mental health influence each other**



An earlier section of this report (‘How money and mental health influence each other’) outlined the general principle drawn from the literature that experiences related to financial wellbeing and mental health trigger cognitive, emotional and behavioural responses in people. Further, this research has identified a range of social, cultural, personal and structural influences that appear to influence these responses. This lens attempts to explain *why* and show *how* these influences translate financial experiences into mental health outcomes and mental health experiences into financial outcomes. The lens connects these influences with fundamental human needs and reaction patterns, grouping them into three domains, ‘connection and community’, ‘confidence and capability’ and ‘choice and security’. These three domains of influence sit within a broader socio-cultural context and the cognitive, emotional and behavioural responses they trigger are also impacted by, and can impact, physical health.

### Developing the lens

The lens in this report is an interpretive synthesis of research evidence found in the literature, as well as insights emerging from analysis of HILDA data, and primary research conducted with stakeholders and lived experience participants, including those with relevant clinical expertise.

The lens draws on elements of two validated theoretical models, self-determination theory<sup>147</sup> and polyvagal theory<sup>148</sup>. The three fundamental human needs for relatedness (connection), competence (capability) and autonomy (choice) outlined in self-determination theory are positioned as core needs underpinning each of the domains of influence operating between financial wellbeing and mental health in this lens. From polyvagal theory, the lens sees responses to threat and safety as being triggered by financial and mental health experiences, and the reaction patterns of social engagement, mobilisation, and immobilisation from this theory as being triggered when core needs are met or not met.

As polyvagal theory helps make sense of responses to danger and threat, this lens can be considered to be trauma-informed. It can also be described as ‘biopsychosocial’ viewpoint, as it takes into account:

- human biology, physical health and human responses to safety and threat
- psychological processes, motivation and their links with behaviour
- the broader web of relationships and social and cultural contexts in which people live.

## Domains of influence

As noted above, each of the three broad domains of influence is associated with fundamental human needs and response patterns. Stressors and supports in each domain give rise to thoughts, beliefs, emotions and behaviours that can protect or hinder, and help or harm, financial wellbeing and mental health. Examples of these are summarised for each domain in Tables 3 to 5.

The domains in the lens are depicted in Figure 10 using the shape of a narrowing funnel to indicate the foundational nature of the ‘choice and security’ domain. This funnel shape reflects findings from lived experience participants who reported that, as their challenges increased, they experienced:

- a contraction of perspective and focus, from outward concerns to inward, personal concerns
- a narrowing of perceived options or future pathways and related difficulty making decisions
- an orientation away from active problem-solving towards immobilisation or a freeze response
- withdrawal of attention away from meeting social and connection needs and towards meeting immediate safety and survival needs.

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<sup>147</sup> Self-determination theory (Deci & Ryan, 2012) is a theory of human motivation and personality derived from empirical observation and supported by decades of applied research. The theory identifies fundamental universal psychological needs that are essential for development, integrity, and wellness; and considers the impact of social environments and individual differences. Essentially, self-determination theory offers that to grow, human beings have three core needs:

- **Autonomy** – a need for self-agency and to act freely in alignment with one’s own values.
- **Competence** – a need to experience self-efficacy, mastery and control an outcome.
- **Relatedness** – a need to interact with and be connected to others and experience care.

<sup>148</sup> Polyvagal theory (Porges, 2011) has expanded understanding of the way the human autonomic nervous system unconsciously responds to fear and impacts social engagement and trust. The theory, backed by decades of research, contributes the following organising principles:

- There are **three unconscious reaction patterns** – immobilisation, mobilisation and social engagement – which are activated in a hierarchy.
- **Automatic cognitive responses** are triggered in response to stimulus, including threat or danger.
- Safe social connection provides **co-regulation** which is the foundation of relationship with others.



**Table 3. Influences, feelings, beliefs and behaviours associated with ‘connection and community’**

 <b>CONNECTION &amp; COMMUNITY</b>	
<p>The influences in the CONNECTION &amp; COMMUNITY domain provide a context to which people belong, where they feel loved, and where their resources extend beyond them as individuals. When people are thriving in this domain, they are socially engaged, feel a sense of relatedness to others and the broader community. They know they have support, feel worthy of it and will call on it if needed.</p>	
<p><b>INFLUENCES (SUPPORTS)</b></p> <ul style="list-style-type: none"> <li>• wider perceived network of support</li> <li>• relationships characterised by unconditional love and support</li> <li>• stable relational supports</li> <li>• social engagement and participation</li> <li>• identification as member of broader community</li> </ul>	<p><b>INFLUENCES (STRESSORS)</b></p> <ul style="list-style-type: none"> <li>• limited support network; social isolation</li> <li>• relationships characterised by obligation, conditional love and support</li> <li>• relationship instability / breakdown</li> <li>• identification with marginalised community groups, or none</li> <li>• comparison to others is unfavourable</li> </ul>
<p><b>POSITIVE FEELINGS &amp; BELIEFS</b></p> <ul style="list-style-type: none"> <li>• supported, understood, welcomed, accepted</li> <li>• <i>‘I am cared for’</i></li> <li>• <i>‘I am worthy’</i></li> <li>• <i>‘I am loved’</i></li> <li>• <i>‘I can get the help I need’</i></li> </ul>	<p><b>NEGATIVE FEELINGS &amp; BELIEFS</b></p> <ul style="list-style-type: none"> <li>• shame, rejected, alone and isolated</li> <li>• <i>‘I’m alone’</i></li> <li>• <i>‘There’s no-one to help’</i></li> <li>• <i>‘I’m being judged’</i></li> <li>• <i>‘I’m worthless’</i></li> </ul>
<p><b>POSITIVE BEHAVIOURS</b></p> <ul style="list-style-type: none"> <li>• sharing financial and mental health circumstances with others</li> <li>• seeking or accepting support from family and friends</li> <li>• engaging in volunteer and community activities</li> <li>• engaging in social, cultural and political life</li> <li>• positive self-advocacy</li> </ul>	<p><b>NEGATIVE BEHAVIOURS</b></p> <ul style="list-style-type: none"> <li>• avoiding sharing circumstances with others, covering up, hiding</li> <li>• not seeking or accepting support from family or friends</li> <li>• withdrawing from social interactions and community activities</li> <li>• disengaging socially, culturally, politically</li> <li>• overdependence on only a few others</li> </ul>

**Table 4. Influences, feelings, beliefs and behaviours associated with ‘confidence and capability’**

## CONFIDENCE & CAPABILITY

The influences in the CONFIDENCE & CAPABILITY domain provide people with energy, and a sense of agency and self-efficacy to make things happen. When people are thriving in this domain, they are acting in their own best interests, learning, solving problems and achieving goals that improve their situation and the wider world.

### INFLUENCES (SUPPORTS)

- engaged in work / other meaningful activity
- able to provide for / look after self and others
- has opportunity to learn and develop skills
- aware of support options available
- perceives own self efficacy and personal agency
- rewarded for value contributed

### POSITIVE FEELINGS & BELIEFS

- driven, inspired, empowered, self-assured
- *'It can change'*
- *'I know what to do or how to do it'*
- *'I believe I can do it'*
- *'My actions make a difference'*

### POSITIVE BEHAVIOURS

- coping well with workplace stresses and appropriate self-advocacy
- trying for promotion or advancement at work
- perceiving and taking charge of financial wellbeing and mental health
- increasing own financial capability
- engaging and negotiating with institutions and creditors confidently
- developing, acting on and sticking to recovery plans

### INFLUENCES (STRESSORS)

- lack of (consistent) employment
- feelings of scarcity and comparisons to expectations erode self-worth
- sees challenges as own fault/failing
- limited financial capability
- impacts of mental health and (self) medication on cognition/action
- impacts of trauma on cognition/action

### NEGATIVE FEELINGS & BELIEFS

- overwhelmed, scared, helpless, desperate
- *'Nothing can change'*
- *'I don't know what to do or how to do it'*
- *'I don't believe I can do it'*
- *'My actions make no difference'*

### NEGATIVE BEHAVIOURS

- anxiety about work loss inhibits self-advocacy
- avoiding stress means may not try to advance
- impulsive behaviours and poor self-control
- self-medicating / addiction
- inconsistent or erratic behaviour
- procrastinating and self-sabotage
- avoiding financial institutions or creditors
- juggling and falling behind on bills/payments
- counterproductive use of credit products

Table 5. Influences, feelings, beliefs and behaviours associated with 'choice and security'

## CHOICE & SECURITY

The CHOICE & SECURITY domain provides the solid foundation upon which functioning in other areas rests. When people are thriving in this domain, their fundamental psychological and physiological needs are met, they feel safe and secure, and they can think clearly, perceive options in their life, plan and make decisions.

### INFLUENCES (SUPPORTS)

- housing security
- a safe home environment
- access to / accumulation of emergency funds
- sufficient funds to meet basic needs, including health
- appropriate mental health diagnosis and treatment provides support
- perceives options for addressing challenges

### POSITIVE FEELINGS & BELIEFS

- clear, reflective, open and decisive
- *'I am safe and secure'*
- *'I have choice'*
- *'I can see a way forward'*
- *'There are options'*

### POSITIVE BEHAVIOURS

- perceiving and looking for options
- problem solving and considered decisions
- setting goals and making plans with the future in mind
- engaging in adequate physical self-care, sleeping and eating well
- understanding and monitoring financial situation and commitments

### INFLUENCES (STRESSORS)

- housing insecurity or homelessness
- domestic and family violence
- no financial buffer or emergency funds
- long term intergenerational disadvantage
- mental health diagnoses seem fixed and intractable
- long term use of medication or support
- crisis/threat impacts cognition
- perceives no options for addressing challenges

### NEGATIVE FEELINGS & BELIEFS

- confused, stuck, numb, hopeless and defeated
- *'I am unsafe or insecure'*
- *'I am trapped'*
- *'There aren't any options'*
- *'I can't see a way forward'*

### NEGATIVE BEHAVIOURS

- focusing on immediate survival needs; prioritising housing, basic food
- little consideration of future impacts
- spending heavily reined in, even on essentials
- denial and avoidance
- signs of confusion and misunderstandings
- going off medication or discontinuing support
- thoughts of suicide or suicide

## Looking through the lens

As noted above, the lens can be applied in a number of ways:

- **To identify people needing, or at risk of needing, support** and determine and prioritise the particular areas in which they most need assistance. This could be done by observing behaviours, canvassing beliefs and feelings, and identifying the presence or absence of supports and stressors in each domain.

For example, someone facing ‘choice and security’ stressors such as housing insecurity, displaying a sense of hopelessness about their situation, or showing signs of avoidance, could be in need of immediate assistance to establish their level of safety and the urgency of their need, and referral to crisis supports. In contrast, someone who has a sense of immediate security and safety, but who is displaying increasingly desperate, erratic or impulsive behaviours (including taking on or juggling debt), may need interventions and support that help them build ‘confidence and capability’, and a financial buffer.

- **To assess existing products, services and supports**, in order to identify gaps, improve efficacy and minimise harmful impacts. This could be done by:
  - Determining the extent to which the product, service or support delivers or helps people develop supportive influences and/or minimises stressors under each domain.
  - Checking whether the product, service or support prompts the positive feelings, beliefs and behaviours associated with each domain, and minimises or does not prompt the associated negative feelings, beliefs and behaviours.
- **To inform the design of new products, services and supports.** A number of broad design principles emerge from this lens that can be applied in order to enhance (and not erode) the supportive factors underpinning mental health and financial wellbeing and promote positive feelings, beliefs and behaviours.
  - To promote ‘**connection and community**’: appear open, approachable and free of judgement; seek to understand individual needs and foster a sense of common or shared experience.
  - To promote ‘**confidence and capability**’: build relevant capabilities and/or confidence; provide clear pathways to support (before, through and beyond times of greatest need); give guidance, feedback and follow-up and acknowledge decision-making is hindered under stress.
  - To promote ‘**choice and security**’: establish safety and the urgency of fundamental needs; increase perceptions of choice and options, giving hope; and consider and prioritise support/referrals for underlying or concurrent issues, if needed.

# Observations and opportunities

## OBSERVATIONS

This research builds on the solid foundation of literature establishing the close relationship between financial wellbeing and mental health and extends this body of work by illuminating these issues in the Australian context.

It reveals that, whether through the experience of a single challenge or ongoing adversity, and whether through personal experience or that of loved ones, financial and mental health challenges are familiar experiences for Australians across their lifespan. Many Australians also experience these challenges simultaneously, with analysis of HILDA data showing around 5% of Australian adults experience both financial hardship and mental health symptoms in a given year.

This research provides further strong indication that people who experience financial challenges are more likely than others to experience mental health challenges, and people experiencing mental health challenges are more likely than others to experience financial challenges.

This research further demonstrates the reciprocal relationship between financial wellbeing and mental health, the spiralling nature of their downward and upward effects on each other, and the cumulative impacts of challenges in both areas. Downward spirals of worsening financial wellbeing and mental health can be unexpected, advance rapidly, be difficult to reverse and have lingering or permanent impacts. The challenges that emerge in these areas ripple outwards to the whole community, as do any gains in financial wellbeing and mental health when supports are effective.

People experiencing financial challenges report a wide range of mental health impacts, from feelings of stress and anxious thoughts, to diagnosed mental health conditions and thoughts of suicide. Similarly, people experiencing mental health challenges experience a range of financial impacts, including low or limited income, debt and financial hardship. Mental health challenges can also impact financial management and decision-making.

Beyond this, however, is a range of important influencing factors that determine how and to what extent financial and mental health consequences follow from challenges. These include social and cultural factors (such as widely held beliefs, relationships and community connections), personal factors (such as physical health and psychological characteristics) and structural factors (such as inequality in access to supports and wider social inequality). Young adults, women, First Nations peoples, people experiencing intersectional vulnerability and small business owners, are also more susceptible to experiencing negative impacts from financial and mental health challenges.

This research presents a new lens through which influencing factors can be viewed and understood (Figure 10, page 63). It suggests that it is the way that these factors connect with fundamental human needs and response patterns that lead to financial and mental health consequences. Needs and response patterns can be categorised into three domains ('connection and community', 'confidence and capability', and 'security and choice'). These three domains are associated with particular supports and stressors, and characteristic thoughts, feelings and behaviours, which can be used:

- as indicators of potential financial and mental health challenges to identify those people at risk or in need of support
- to test and guide the efficacy of products, services and interventions.

This research reveals that stigmatising beliefs associated with financial and mental health challenges are present in the Australian community. Many participants reported not feeling comfortable sharing the true nature of their challenges with even their closest loved ones. Stigmatising beliefs, and the resulting shame individuals feel, undermine support efforts, as individuals, anticipating negative responses from services, are disinclined to seek help.

There are many personal and community-wide events that simultaneously impact financial wellbeing and mental health. Examples include life transitions (from leaving home and entering the workforce, to retirement), an illness or death in the family, natural disasters and economic downturn. Bolstering community-wide resilience, preventing challenges and supporting recovery, will not only impact individuals experiencing the greatest adversity, but may yield benefits for all Australians who are likely to experience challenges at some point.

As a community-wide event, the COVID-19 pandemic has had both financial and mental health impacts. This research, conducted during the first two years of the pandemic, supports other research in revealing that impacts to date have been unequally distributed across the population. Parts of the community not previously affected by either financial or mental health challenges have been affected and issues for those with existing challenges have been further entrenched. Such community-wide events significantly undermine the domain of ‘choice and security’ (that is, ensuring people feel a fundamental sense of safety and hope), which this research observes to be the foundation of wellbeing. Initial COVID-response supports tended to focus on those experiencing the greatest impacts in this foundational area, but it will be important for the whole community’s ongoing recovery to ensure financial wellbeing and mental health supports exist that bolster ‘confidence and capability’, and ‘connection and community’ across the wider population.

The mutually reinforcing relationship between financial wellbeing and mental health highlights the importance of prevention efforts and early intervention. This research reveals that most people do engage in early help-seeking and problem solving behaviours, but where their success is limited, setbacks can prompt further shame and avoidance. Several barriers to earlier and more successful intervention exist, and these suggest opportunities for improvement. Of greatest impact will be measures that:

- identify early indicators that suggest an individual may need support (for example, missed payments, avoidance behaviours, social withdrawal)
- promote preventative resilience and challenge stigmas
- utilise life events or settings, such as in the workplace and engagement with government services and financial institutions, as avenues for prevention and early intervention activities.

This research highlights the significance of the workplace in an individual’s financial wellbeing and mental health. Stigma-free workplaces have the potential to be a source of support for financial wellbeing and mental health. Through the domain of ‘confidence and capability’, participating in a workplace can enhance a sense of contribution, meaning and self-worth, provide income stability, and support the recovery journey.

The close association between financial wellbeing and mental health naturally indicates the importance of interventions that address these issues simultaneously. This research also importantly indicates, however, that prevention and recovery efforts targeted solely at either financial wellbeing or mental health *can effect change in the other*. As this research observes, positive spirals of influence exist between the two, with improvements on one side having positive impacts on the other, potentially starting a chain of ongoing reciprocal positive impacts.

This research also suggests that the individual influencing domains of ‘connection and community’, ‘confidence and capability’ and ‘choice and security’ are interlinked. These domains can be thought of as a funnel, with positive change in more foundational domains observed to beget a chain of positive changes moving up into other domains. For example, securing housing can provide stability and security, enabling people to focus on higher order needs such as securing better paying work (which brings both financial benefits and a sense of contribution) and attending to their social relationships (which brings connection and support).

Summarising the implications to be drawn from these findings:

- There appears to be a need for services that offer support in both financial wellbeing and mental health, and better joined up services and processes, including improved cross-referral between services specialising in each.
- Service providers operating in either the mental health or the financial sphere can be confident that positive efforts in one sector will have flow-on impacts in the other sphere
- Providing supports in one influencing domain will have flow-on impacts in other domains.

Together, these suggest that there is a collective responsibility and opportunity, regardless of sector, to make a difference.

## OPPORTUNITIES

There are already organisations delivering effective support and education services in both the mental health and financial wellbeing sectors. There are similarly organisations delivering products, services and support in the wider ecosystem (such as banking and insurance, government services, retail, the health system and the community sector) working to ensure that they deliver supportive products and services for Australians in need.

The findings from this research suggest there are opportunities to continue and build on these efforts, supporting financial wellbeing and mental health in the following ways.

1. **Understand and build on the link** – There is an opportunity for those in support and service provision to continue to promote awareness of the close relationship between financial wellbeing and mental health, and the importance of these elements for overall health and wellbeing. There is opportunity to communicate the message that all Australians (not just those at risk of chronic adversity) can be affected by financial and mental health challenges over the course of their lives.
2. **Challenge stigma** – There is an opportunity for support and service providers to further challenge stigmatising beliefs associated with financial and mental health challenges and what it means to be ‘successful’. This includes ensuring that initiatives encourage open communication about financial and mental health challenges.
3. **Consider the whole person** - When designing or improving products and services, there is an opportunity for support and service providers to consider the cognitive, emotional and behavioural impacts of financial and mental health challenges. There is also an opportunity for products, supports and services to better encourage the development of resilient behaviours in the face of unexpected life and community events. The findings from this research suggest even



small changes to product and service design and service provision can prevent or minimise harm. Such changes can allow individuals to exercise choice, make more considered and informed decisions and modify behaviour to prevent or halt financial and mental health challenges.

4. **Search out where people gather** – There is an opportunity to continue to explore settings-based initiatives that can be used for prevention and early intervention when early indicators are observed, for example in workplaces, and educational, health and community settings.
5. **Apply a novel lens to support understanding and intervention** – When designing or improving products and services, there is an opportunity for support and service providers to apply the lens proposed in this report. Examples of how this lens can be applied to product service and support design are provided below.
  - Products, services and supports that promote ‘connection and community’ will be those that appear open, approachable and free of judgement, that seek to understand individual needs and foster a sense of common or shared experience. Suggested approaches to build on work in this area include:
    - Increasing awareness and capability of those who interact with the public to deal with disclosures about mental health and financial challenges, and supporting empathic and informed responses through, for example continuing to offer staff training in areas such as the mental health impacts of financial stress and how to respond to client disclosures of trauma.
  - Products, services and supports that promote ‘confidence and capability’ will be those that provide clear pathways to support; give guidance, feedback and follow-up, and acknowledge decision-making is hindered under stress. Suggested approaches to build on work in this area include:
    - Increasing consideration given to cross-referrals between services and supports when early indicators are present and at crisis points.
    - Improving referral pathways between individualised supports for financial wellbeing and mental health, and pursuing innovative opportunities to develop holistic supports or support hubs that address both financial and mental health challenges.
    - Pairing financial capability-building approaches with key life stages and incorporating evidence on the mental health impacts of financial challenges.
    - Creating person-centred, technology-based initiatives that give customers the capability to choose how they communicate with their providers when experiencing mental health challenges, adjust communication channels, information and alerts, and limit unnecessary transactions.
    - Creating simplified help supports and introducing them when early indicators of distress are discernible, potentially incorporating navigation tools and clear maps of the range of service and support options.
    - Providing direct and transparent feedback in the cases where support cannot be provided, directing customers to other options or clearly articulating actions required before the customer reapplies for support.

- Products, services and supports that promote ‘choice and security’ will be those that build in checks of customer/client safety and the urgency of needs, increase perceptions of choice/options (giving hope), and prioritise support/referrals for underlying or concurrent issues if needed. Suggested approaches to build on work in this area include:
  - Streamlining processes for recording customer information to avoid the potential for re-traumatisation through customers having to repeat their story and verify details multiple times.
  - Providing targeted, immediate provisions and guidance for people experiencing certain acute/traumatic events, for example information about what to expect, what to do and what supports are available in the case of partner loss, severe injury/illness or natural disaster.

## Appendix A: Additional method details

### HILDA SURVEY DATA ANALYSIS APPROACH AND MEASURES

#### Purpose and aims of the HILDA data mining stage

The data mining stage formed the second research stage of the Money and Mental Health Research project. It followed a preliminary stage which included an evidence review and 10 stakeholder interviews.

The purpose of this stage of the research was to mine the HILDA dataset for insights about the relationships between financial and mental health and wellbeing variables. The analysis aimed to demonstrate linkages between money and mental health and wellbeing based on Australian data and yield further, localised, insight on relevant issues.

Specific research questions guiding the analyses included:

- Among Australian households, how is financial wellbeing associated with mental health and wellbeing?
  - What is the co-occurrence of financial wellbeing factors and mental health and wellbeing factors?
  - What financial wellbeing measures are statistically associated with mental health and wellbeing measures?
  - How strong are these associations and how do they relate to relationships established in the literature?
  - How are they associated with other major life stressors and events?
- To what extent do financial circumstances at one time point impact later mental health and wellbeing?
  - Specifically, to what extent does an earlier financial event (positive or negative) predict a change in mental health and wellbeing?
  - What potential mediating and confounding factors impact this relationship?
- To what extent do mental health and wellbeing issues at one time point impact later financial circumstances?
  - Specifically, to what extent does earlier mental health and wellbeing status predict a change in financial circumstances?
  - What potential mediating and confounding factors impact this relationship?
- What groups in the Australian community are most impacted/at risk?

#### Data source

The longitudinal Household, Income and Labour Dynamics in Australia (HILDA) study is a nationally representative household-based longitudinal survey which gathers data on the aspects of the lives of Australian residents around family dynamics, economic and subjective well-being and labour market dynamics.

Analyses were undertaken on the most recent HILDA data release at the time of analysis: Release 18.0 V2, published April 2020.

## Study details and analysis approach

The HILDA Survey began with a large national probability sample of Australian households occupying private dwellings. All members of the households that provided at least one interview in wave 1, formed the basis of the panel pursued for inclusion in each subsequent wave. The sample has been gradually extended to include any new household members resulting from changes in the composition of the original households. The sample was replenished in wave 11 with an additional 2,153 households added.

The data analyses were undertaken on the most recent waves of survey data:

- Cross-sectional analyses were undertaken primarily on Wave 18 data, and on specific items only asked in W17 (psychological distress) and W16 (financial capability).
- All time-associated analyses were undertaken comparing Wave 17 and Wave 18 data on common variables – this is supported by the literature which has found weaker ability to predict later outcomes as time increased, with greatest associations being found between contemporaneous variables or lagged over 12 months.
- Analyses included only those who finished the **Self-Completion Questionnaire** (SCQ, contains personal items, including the SF36 measures of physical and emotional wellbeing, and is completed privately and returned after other household and personal data is collected):
- Cross-sectional analyses included all those who had completed the SCQ in relevant waves AND for whom there was no missing data on relevant items.
- Time-associated analyses included all those who completed the SCQ in Wave 18 and Wave 17 and for whom there was no missing data on relevant items.
- Cross-sectional SCQ weights were applied for all cross-sectional (within wave) analyses.
- Wave-specific longitudinal weights were applied for analyses involving multiple waves

## Study measures

### Variables associated with financial circumstances (All Wave 18)

- Financial hardships:  
Could not pay electricity, gas or telephone bills on time; Asked for financial help from friends or family; Could not pay the mortgage or rent on time; Pawned or sold something; Was unable to heat home; Went without meals; Asked for help from welfare/community organisations
  - explored individually, and grouped as per below
  - created variable – number of hardships (count of all hardship variables)
  - created variable – any hardships (yes to at least one of the hardship variables)
- Perceived financial prosperity
- Life events in past year: Major worsening in finances
- Measures of material deprivation - special module
  - explored individually, and grouped as per below

- created variable – Number of deprivations (count of all material deprivation variables)
- created variable – Any deprivations (yes to at least one of the material deprivation variables)
- SES, based on SEIFA 2011 Decile of Index of relative socioeconomic advantage/disadvantage
- Household income level – treated as scale and categorical variable
  - created variable based on disposable (after-tax) household income equivalized to account for differences in household size using OECD-modified equivalence scales
- Household and personal debt:
  - unpaid household bills
  - unpaid personal bills
- Limited access to emergency funds: Difficulty in raising \$3,000 for an emergency

### **Variables associated with mental health and wellbeing**

- Wave 18 – Quality of Life – SF36 measures (emotional wellbeing - MHI-5 Mental Health Index 5-item sub-scale), used as a binary measure with specific cut-point reflecting likely mental health problems, and used as a continuous outcome measure, using the raw scores, which Kiely et. al. (2015) have proposed reflects the full spectrum of mental health and wellbeing.
- Wave 17 - K10 psychological distress score categorised; Diagnosed with serious illness - anxiety and/or depression and/or other mental health condition

### **Covariates included in the analyses:**

- age cohort
- sex
- Aboriginal and Torres Strait Islander peoples
- highest educational attainment
- labour force status and type of employment
- receipt of income support payments
- physical health (physical functioning subscale of the SF36)
- perceived social support - I have no one to lean on in times of trouble
- participation in community events:
  - having contact with friends or relatives, chatting with neighbours, attending community events, being involved in a community/political group or encouraging others to do so, attending worship services, volunteering, talking about current affairs, keeping in touch with friends, visiting extended family, getting in touch with local representatives about issues, and giving money to charity if asked
- experience of negative major life events in past year:
  - death of close relative/family member; evicted, a weather related disaster (flood, bushfire, cyclone) damaged or destroyed home; death of spouse or child; fired or made

redundant; serious personal injury/illness; separated from spouse; victim of property crime or physical violence.

## LIVED EXPERIENCE INTERVIEWS - BREAKDOWN OF SAMPLE CHARACTERISTICS

<b>Experience of financial and mental health challenges</b>	<ul style="list-style-type: none"> <li>• Finances have impacted mental health in last 10 years - 10 interviews</li> <li>• Mental health has impacted finances in last 10 years - 6 interviews</li> <li>• Both have occurred/difficult to say – 4 interviews</li> </ul>
<b>Age and family situation</b>	<ul style="list-style-type: none"> <li>• All aged 18+                             <ul style="list-style-type: none"> <li>• Singles/couples with no dependent children – 8 interviews</li> <li>• Families/ dependent children of varying ages – 9 interviews</li> <li>• Retirees/adult children – 3 interviews</li> </ul> </li> </ul>
<b>Sex (current)</b>	<ul style="list-style-type: none"> <li>• Females – 11 interviews</li> <li>• Males – 9 interviews</li> </ul>
<b>Location</b>	<ul style="list-style-type: none"> <li>• Broad spread of states represented</li> <li>• Metro/outer metro locations – 12 interviews</li> <li>• Regional/rural locations – 8 interviews</li> </ul>
<b>Household income</b>	<ul style="list-style-type: none"> <li>• Included representation of range of household income levels:                             <ul style="list-style-type: none"> <li>• Under \$30,000 - 4 interviews</li> <li>• \$30,000 - \$59,999 – 5 interviews</li> <li>• \$60,000 - \$99,999 – 5 interviews</li> <li>• \$100,000 - \$149,999 – 3 interviews</li> <li>• \$150,000 and above – 3 interviews</li> </ul> </li> </ul>
<b>ATSI</b>	<ul style="list-style-type: none"> <li>• 2 interviews</li> </ul>
<b>CALD</b>	<ul style="list-style-type: none"> <li>• 3 interviews</li> </ul>

## LIVED EXPERIENCE INTERVIEWS - INTERVIEW PROMPTS

Initial narrative prompt (financial or mental health)	For the first part of the interview, I'll ask you to share your experiences without much interruption or questions from me. I may ask for a bit more detail and a while after that, some other questions. So...
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	<p><b>Tell me the story of your mental health and wellbeing, from the previous time when your mental health was better/worse, right up until now.</b></p> <p>Please include ...</p> <ul style="list-style-type: none"> <li>● What was happening for you back then?</li> <li>● Any events since then that are relevant to your mental health journey?</li> <li>● Any person or organisation that has been involved in this journey (for better or worse)?</li> </ul> <p>OR</p> <p><b>Tell me the story of your financial situation, from the previous time when your financial situation was better/worse, right up until now.</b></p> <p>Please include ...</p> <ul style="list-style-type: none"> <li>● What was happening for you back then?</li> <li>● Any events since then that are relevant to your personal financial journey?</li> <li>● Any person or organisation that has been involved in this journey (for better or worse)?</li> </ul>
<p>Open ended narrative prompts</p>	<ul style="list-style-type: none"> <li>● Go on...</li> <li>● Please say more...</li> <li>● What followed that?</li> <li>● Take your time...</li> <li>● What was that like for you?</li> <li>● What happened immediately before/after that?</li> <li>● Can you remember anything specific about _____?</li> <li>● Can you describe why that moment stands out to you?</li> <li>● How did you arrive at that action/decision?</li> <li>● How did that relate to _____?</li> <li>● What did that mean for you?</li> <li>● And then what happened?</li> <li>● What else happened at that point?</li> </ul>
<p>Specific prompts</p>	<ul style="list-style-type: none"> <li>● Events experienced (expected or unexpected, personal or external)</li> <li>● Key turning points and decisions (positive and negative)</li> <li>● People or organisations involved (how closely and how remotely, how positively and how negatively)</li> <li>● Personal feeling along steps in the process</li> <li>● Difficult and easy parts</li> <li>● Help seeking behaviours and their drivers</li> <li>● Actual sources of help/support</li> <li>● Possible sources of help/support</li> </ul>
<p>Second narrative prompt (financial or mental health)</p>	<p>For the next story, we'll start at the same spot [POINT IN THE PAST FROM PREVIOUS NARRATIVE].</p> <p><b>Please tell me the story of your financial situation, from the previous time when your mental health was better/worse, right up until now.</b></p> <p>Please include ...</p> <ul style="list-style-type: none"> <li>● What was happening for you back then?</li> <li>● Any events since then that are relevant to your personal financial journey?</li> </ul>

	<ul style="list-style-type: none"> <li>Any person or organisation that has been involved in this journey (for better or worse)?</li> </ul> <p>OR</p> <p><b>Please tell me the story of your mental health and wellbeing, from the previous time when your financial situation was better/worse, right up until now.</b></p> <p>Please include ...</p> <ul style="list-style-type: none"> <li>What was happening for you back then?</li> <li>Any events since then that are relevant to your mental health journey?</li> <li>Any person or organisation that has been involved in this journey (for better or worse)?</li> </ul>
<p>Specific prompts</p>	<ul style="list-style-type: none"> <li>Events experienced (expected or unexpected, personal or external)</li> <li>Key turning points and decisions</li> <li>People or organisations effected or involved (how closely and how remotely)</li> <li>Personal feeling along steps in the process</li> <li>Difficult and easy parts</li> <li>Help seeking behaviours and their drivers</li> <li>Actual sources of help/support</li> <li>Possible sources of help/support</li> </ul>
<p>Prompts to explore the relationship of the two narratives</p>	<ul style="list-style-type: none"> <li>How do these two stories relate to each other?</li> <li>Where do they cross over and where do they diverge from each other?</li> <li>How did events in one area impact or lead to another? Please provide examples from your stories.</li> <li>How much did your financial situation impact your mental health and wellbeing, relative to other factors or events at the time?</li> <li>How much did your mental health and wellbeing impact your financial situation, relative to other factors or events at the time?</li> <li>Thinking about your mental health and wellbeing, how could your financial situation have positively impacted this (reduced a mental health decline or supported a recovery)? What help would you have needed and from who/where?</li> <li>Thinking about your financial situation, how could your mental health have positively impacted this (reduced a financial decline or supported a recovery)? What help would you have needed and from who/where?</li> <li>What help or support, if any, do you need now?</li> </ul>
<p>Personal factors impacting financial and mental health and wellbeing including shame (internalised stigma) and feelings of control</p>	<p>PROJECTIVE EXERCISE</p> <ul style="list-style-type: none"> <li>If you asked people that know you to describe their view of your mental health and wellbeing, how closely do you think it would match your actual mental health and wellbeing? How would it be different and why?</li> <li>If you asked people that know you to describe their view of your financial situation/ how closely do you think it would match your actual financial situation? How would it be different and why?</li> <li>When it comes to your mental health and wellbeing, how much is it impacted by circumstances or events external to you or your immediate family? What impact, if any, do personal characteristics have on this?</li> </ul>



	<ul style="list-style-type: none"> <li>• When it comes to your financial situation, how much is it impacted by circumstances or events external to you or your immediate family? What impact, if any, does personal resilience have on this?</li> </ul>
<p>Perception and impact of stigma</p>	<ul style="list-style-type: none"> <li>• In your view, what community beliefs are there about people experiencing issues with their mental health?</li> <li>• When it comes to your mental health and wellbeing, how comfortable do you feel about speaking about it with others?             <ul style="list-style-type: none"> <li>• Who do you feel most comfortable and who least?</li> <li>• How does this impact who, how and whether you seek help in relation to your mental health and wellbeing?</li> </ul> </li> <li>• Have community views about mental health changed? Since when? What has brought this change/s about? How have they changed and what impact has this had on you, if any?</li> <li>• In your view, what community beliefs are there about people experiencing issues with their financial situation?</li> <li>• When it comes to your financial situation, how comfortable do you feel about speaking about it with others?             <ul style="list-style-type: none"> <li>• Who do you feel most comfortable speaking about this with and who the least?</li> <li>• How does this impact who, how and whether you seek help in relation to your financial situation?</li> </ul> </li> <li>• Have community views about financial issues changed? Since when? What has brought this change/s about? How have they changed and what impact has this had on you, if any?</li> </ul>
<p>External factors impacting financial and mental health and wellbeing</p>	<ul style="list-style-type: none"> <li>• What impact, if any, has the COVID 19 pandemic had on your financial wellbeing? How have you responded to this?</li> <li>• What impact, if any, has the COVID 19 pandemic had on your mental health and wellbeing? How have you responded to this?</li> <li>• Thinking more generally about any financial or mental health challenges we've been discussing, what has helped and what has made things worse, specifically:             <ul style="list-style-type: none"> <li>• What support services?</li> <li>• Which organisations?</li> <li>• What types of help or support?</li> <li>• What other actions or changes you may have made?</li> </ul> </li> <li>• If you did seek help from an organisation or support service, was there any cross over between mental health support offered and any support for your financial situation?</li> <li>• How has your mental health and wellbeing impacted your interactions with financial services organisations e.g. banks, insurance, other financial organisations? What specific behaviours have been the result?</li> <li>• How has your mental health and wellbeing impacted your behaviours and decisions when it's come to money management day to day and planning for the future?</li> <li>• How have interactions with financial services organisations, money management and financial planning in more limited financial circumstances impacted your mental health? What specific behaviours have been the result?</li> </ul>

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