

Money Matters and Mental Health

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Whether it's preserving your own mind or providing support to a loved one, money matters and mental health seem to be inseparable. Poor financial management can lead to stress and have a serious effect on mental well-being, while those diagnosed with mental health disorders often have difficulty managing their money and finding financial security. So how do we protect ourselves and how do we provide the right kind of support those we love?

Staying financially fit can be as big a challenge as staying physically fit; many of us have too much debt compared to our incomes, are guilty of having bad or manic spending habits and of abusing our credit cards. This may result in anxiety, frustration and depression, which can cause even more financial issues as we desperately try to make ourselves feel better. All too often the decisions we make when in any of these mental states are not in our own best interests. It's easy to fall into a vicious cycle of overspending, depression, substance abuse or dependence, gambling or impulse spending in a futile attempt to temporarily solve or ignore the problem. Every time we overspend or take on debt that could get out of control, we are putting both our mental health and future security at risk.

It's not something we ever want to consider, but what happens if we are the one diagnosed with a condition that diminishes our mental faculties? For the individual interested in self-protection, a Power of Attorney is a useful legal document. This allows individuals to nominate a trusted person to make financial and/or medical decisions on their behalf, in the event that they become unable to do so for themselves. Having one of these in place can prevent additional stress on family members during an already difficult time.

What if the mental health issues are not our own, but belong to a family member? In some cases financial issues arising from mental health problems, not only affect the individual, but the whole family. These issues may come about at many stages of life, perhaps an adolescent dealing with ADHD, an adult with depression or a senior facing the onset of dementia or Alzheimer's. What if that person has always been the one to take care of family finances? With other conditions, individuals may be more vulnerable to the 'friend effect'. You know the kind of friend, they turn up when they want money and then they don't turn up again until next month. This can leave the individual with insufficient funds to meet their basic needs, i.e. food, clothing and shelter. The good news is that with the right kind of support, many individuals can overcome the challenges and find ways to resolve the problems. However, they are not going to be able to do this alone. Perhaps they need help with basic budgeting skills or need assistance in setting up a bank account. They may need to learn about how to manage their needs versus wants.

There are enough things in life that can stress us out, so make sure money isn't one of them. Enjoy the good times and save for the bad. Share the family financial picture and work together to meet all your needs and manage your wants. Equip your children with the skills they need for the future, to avoid financial difficulties and prevent unnecessary mental stress.