Medical Xpress

'Financial health' is good medicine in mental health care

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Annie Harper, PhD visits a rent-to-own store. Credit: L. Bruce

Spend an afternoon doing mental health research with Annie Harper, Ph.D. and you might find yourself checking out the prices at a local rent-to-own store, helping a client pull his credit report, or listening as Harper speaks on the phone, convincing a student loan collection agency to restructure someone's debt.

"Some of the things we think of as 'mental health problems' are actually poverty problems," she explains. "If we solved people's financial problems, I think many of their other problems would go away."

It's a radical thesis, one that Harper is uniquely equipped to test. An anthropologist by training (she earned her Ph.D. from Yale in 2010), Harper spent many years working in international microfinance and has a Masters in Political Economy of Development. An Associate Research Scientist at the Yale Program for Recovery & Community Health in the Yale Department of Psychiatry, she studies "financial health"— the point of intersection between people with serious mental illness and their money.

What is the relationship between poverty and mental illness? Poor people may be more likely to experience mental illness, and having a serious mental illness makes a person much more vulnerable to poverty. According to the federal Substance Abuse Mental Health Services Administration, an estimated 9.8 million adults in the United States are living with a serious mental illness. Of this group, approximately 2.5 million live below the federal poverty line.

Harper's mental health work began in 2012 at Connecticut Mental Health Center (CMHC), a large publicly funded clinic and training site within the Yale Psychiatry Department. Recognizing poverty as a serious barrier to mental health recovery and wanting to understand the problem better, the CMHC Foundation recruited Harper to interview clients about their financial situations and see what she could learn.

CMHC clients share two things in common: they have a mental health diagnosis, and they're poor. Most survive from one disability check to the next. Some have no income at all and live on food stamps alone. Some manage their own money; others have a representative payee who makes financial decisions for them. In the current system, there is no

middle ground: people receiving mental health services either navigate treacherous financial waters by themselves, or through legal means, they lose the freedom to manage their own money.

Poor people, Harper explains, are more likely than others to be "financially excluded," meaning they lack access to formal financial services. They use channels outside of traditional banks, such as check cashing places and pawn shops, both of which charge high fees. Those who do use banks pay fees for minimum balances and overdrafts. If they get credit cards, they often pay some of the highest interest rates in the industry. These are a few of the hidden costs of poverty—costs that may be detrimental to a person's mental health.

At CMHC, Harper set to work, and in 2015 she won a grant from the National Institute of Mental Health (NIMH) to launch a pilot study with clients who manage their own money but wanted some help with their finances.

When she joined the Yale Psychiatry Department, she had no medical training and knew little about mental illness and addiction. She says her outsider status has been an advantage.

"Clinical people are trained to diagnose and see patterns," she explains. "Often, that's exactly what is needed. But they tend to view things through the lens of the individual."

"As anthropologists," she continues, "we study the interconnections between individual beliefs and decisions, and the broader environment people live in—neighborhood, city, systems, society. Yes, individuals have agency, but we're strongly shaped by things much bigger than we are."

Michael Rowe, Ph.D., principal investigator of the Citizens Community

Collaborative and Harper's co-researcher, agrees. He has been working with people in recovery from serious mental illness, addiction, homelessness, and incarceration for more than thirty years. He has developed a framework for "recovering citizenship"—supporting people in recovery as they rebuild their social and civic identities—and he says Harper's work brings a real-world perspective to the field.

"Annie is investigating concrete factors that are having a profoundly negative affect on people's mental health and wellbeing," says Rowe. "As a society, if we want to have healthy people and communities, we must address poverty."

Harper's team had no trouble enrolling people in the NIMH study. In fact, participants' needs were so intense that they enrolled fewer people than originally planned, in order to be able to provide the best possible service for each enrollee.

Study participants were invited to choose among three interventions in any combination (including all or none): (1) one-on-one financial counseling, (2) a facilitated support group, and (3) a matched savings plan. Throughout the process, they completed multiple surveys, gave extensive qualitative interviews, and shared their financial data with researchers.

The results were promising. People's behavior around money improved and their overall sense of financial wellness rose slightly. The poverty problem, however, remained intractable. Participants continued to experience high levels of stress around finances. A few who couldn't meet their financial goals felt depressed, and some people, after fixing their credit with the help of their financial counselors, took out credit cards and increased their debt.

Harper's current research focuses on people who have representative

payees. Supported by the Social Security Administration through the Center for Retirement Research at Boston University, the study is analyzing financial products and services that might help this group take more control of their own finances.

"If the financial services industry worked better for poor people," Harper explains, "some of the people determined to be incapable of managing their own money may actually be able to do it."

Where will she go from here? Harper has identified a few frontiers for further financial health research, including debt and energy insecurity.

"Almost everyone in our first study was in debt," she explains. "Many were very stressed about it. We know that debt has a strong negative impact on mental health."

Debt takes many forms, including credit cards, student loans, child support arrears, high-interest loans from loan sharks and rental centers, or small cash loans from a friend or relative—all of which, Harper says, warrant in-depth study. She is also casting her anthropologist's eye on the complex world of energy insecurity.

"Poor people face enormous difficulties paying their utility bills and are at high risk of having their service disconnected," she explains. "The negative health consequences of living without lights, heat, hot water, or cooking facilities are profound, as is the stress of living in fear of disconnection." Harper wants to know more about how people with mental illness are affected by energy insecurity, and how the protections in place for people with health problems to avoid disconnection might have unintended consequences in terms of increased debt and damaged credit scores.

Harper says it is difficult to overstate just how devastating financial

problems can be for people living with mental illness. Last year, one of her study participants died after his two-year transitional housing ended and he couldn't find another place to live.

"He couldn't afford to pay rent," Harper recalls. "He was one of the most promising people in our study." After he lost his housing, he fell into a downward spiral and ultimately died of a heart attack.

Harper doesn't claim to know what led to the participant's heart attack, but she feels sure that his lack of resources had something to do with it. "People receiving disability just don't have enough money to live on," she says matter-of-factly. "They don't have options."

"Look," she continues, "this is America. This is a really rich country. Inequality has gone through the roof. We have these problems everywhere, including right here in New Haven. People are really struggling."

"I'm trying to understand the dynamics in depth," she concludes, "so perhaps, I can help to make some change."

Provided by Yale University

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