

UK report highlights links between money and mental health during the pandemic and cost of living crisis

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The Center for Personal Financial Well-being at Aston University has released a [report](#) outlining the findings of a rapid evidence review on the

relationship between money and mental health in the United Kingdom.

The rapid evidence review shines a light on the impact of personal financial circumstances on mental well-being and highlights how the context of the COVID-19 pandemic and the current cost of living situation have shaped these issues.

The review concluded that there is strong evidence to support the connection between [mental health difficulties](#) and financial challenges, with individuals facing [mental health](#) issues being more likely to experience personal and household financial struggles. People in lower paid occupations and reliant on employment support were prevalent among this group, with half of those experiencing [mental health problems](#) in 2020 having a gross annual household income of £28,000 or less, compared to only one-third of those who did not experience mental health problems.

The evidence also shows the extent to which financial difficulties can exacerbate mental health problems, as people facing financial challenges such as debt were more likely to experience suicidal thoughts or feelings.

Furthermore, the evidence demonstrated that the pandemic and the cost of living crisis have significantly worsened mental health and financial challenges in the U.K. One in four people experienced a mental health problem for the first time during the pandemic, and the proportion of people reporting mental health challenges has increased from 21% to 30% since 2018.

The review also highlights the specific vulnerability of certain groups to the confluence of mental health and financial challenges. Households with disabled [family members](#) have been particularly affected, with 77% reporting an impact on their mental health due to the cost of living. Women facing mental health challenges were more likely to experience

financial difficulties resulting from the current cost of living situation, such as difficulty meeting everyday payments or reducing savings. Minoritized groups, who are more likely to experience poverty and deprivation, face additional mental health burdens, including trauma, grief, isolation, bullying and racism.

Professor Andy Lymer, director of the Center for Personal Financial Well-being at Aston Business School, co-authored the review and said, "The relationship between mental health and financial challenges is considered to be a complex cycle, where chronic stressors like financial hardship deplete psychological reserves, making it harder to overcome future challenges.

"The widely held perception that [financial difficulties](#) stem from personal responsibility failure reinforces feelings of blame or inadequacy, adding to the stigma associated with both mental health and financial challenges.

"This comprehensive evidence review serves as a call to action for policymakers, researchers and healthcare professionals to prioritize the mental health and financial well-being of individuals in the U.K. By recognizing the intricate links between money and mental health, and the exacerbated challenges posed by the COVID-19 pandemic and the cost of living situation, I hope that targeted interventions and support can be developed to alleviate the burden on those affected and improve their overall well-being."

Dr. Hayley James, a senior research fellow in the Center for Personal Financial Well-being at Aston Business School, who also co-authored the review, said, "Our review confirms that people experiencing mental health problems have been disproportionately affected by financial issues during and after the COVID-19 crisis. They were more than twice as likely to have fallen behind on payments and to have missed multiple

payments compared to those without mental health problems.

"The strain of the current cost of living situation has left a substantial portion of UK adults feeling anxious, depressed, or stressed due to financial concerns. Over half of the respondents reported negative impacts on their mental health, and this effect was more pronounced among those in debt.

"The report emphasizes the urgent need for targeted support and interventions for the affected communities."

Provided by Aston University

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