

WORKSHOP 8

The Relationships Between Mental Health, Money & Poverty

As discussed in Workshop 1, there is a reciprocal link between mental health issues and financial issues. A person's mental health issues may affect their financial situation in a number of ways.

For example:

- If your ability to work is affected, you may experience a sudden drop in your income.
- If you are depressed, you may find it difficult to keep up with incoming bills.
- If you experience manic feelings, you may deplete your savings by spending more money than you can afford to, or you may accumulate a great deal of debt.

Likewise, a person's financial situation may affect their mental health issues in a number of ways.

For example:

- If you have accumulated a lot of debt, you may feel hopeless about your situation.
- Living in poverty can cause continual stress.
- Having your money controlled by a representative payee can cause you to feel powerless.

Additionally, sometimes treatment for mental health issues can lead to financial problems:

- Hospitalizations can not only interfere with a person's ability to access their personal finances while hospitalized, but the bills afterward can be overwhelming.
- Some psychiatric medications can cause memory problems, which make it difficult to keep up with finances.
- Blurred vision, shaky hands, or slowed movements caused by some medications can make signing checks or using ATMs or debit cards difficult.
- If psychiatric medications cause lethargy, a person may have difficulty with motivation to keep up with personal finances.¹⁰⁰

Poverty can have a significant impact on a person's mental and emotional well-being. Numerous studies indicate a correlation between mental health issues and poverty. *For example:*

- The lower the socioeconomic status of an individual is, the higher the risk of mental illness (Hudson, 2005).
- Major depression occurs more frequently among people of lower socioeconomic status (Gilman et al, 2002).

¹⁰⁰ Original material from Peerlink National Technical Assistance Center.

- Lower income children are 1.86 times more likely to report an emotional or nervous condition in adult life, and lower income boys ages 7-8 are 3.2 times more likely to (Fan, 2001).
- Low-income, uninsured populations had a higher prevalence of 1 or more psychiatric disorders (51% vs. 28%): mood disorders (33% vs. 16%), anxiety disorders (36% vs. 11%), alcohol use disorders (17% vs. 7%), and eating disorders (10% vs. 7%) (Mauksch, 2001).
- Higher unemployment, poverty, and lack of housing affordability in poorer communities account for more than half of community differences in psychiatric hospitalization rates (Hudson, 2005).
- The prevalence of serious mental illness is highest among those with the lowest family income level (less than \$20,000) at 16.3% and lowest among those with the highest income level (\$75,000 or more) at 6.4% (SAMHSA, 2002).
- The serious mental illness rate is higher among persons who were unemployed or had "other" employment status (i.e., not in the labor force) (14.2% and 15.5%, respectively) than among persons who worked full time (7.9%) (SAMHSA, 2002).¹⁰¹

Groups experiencing structural barriers to economic mobility often experience discrimination in their daily lives. Discrimination because of one's class, gender, sexuality, race/ethnicity, ability, nationality, religion, and more can take a serious toll on a person's mental health and well-being. Research has shown that discrimination exacerbates stress and can lead to mental health challenges like anxiety, depression, and PTSD.¹⁰² Experiencing discrimination and racism can be extremely stressful and traumatic. Racism is a form of interpersonal trauma.

BIPOC communities continue to experience structural barriers to behavioral health services, including biases and a lack of cultural competency among mental health and addiction recovery service providers.¹⁰³ There are culturally-specific and responsive mental health practitioners who can understand the intersections between financial insecurity, discrimination, and behavioral health challenges and provide support from a lens of understanding and similar lived experiences.

¹⁰¹ Original material from Peerlink National Technical Assistance Center.

¹⁰² "The Impact of Discrimination." *American Psychological Administration*, 2015.

<https://www.apa.org/news/press/releases/stress/2015/impact>

¹⁰³ "Identity and Cultural Dimensions." *NAMI*, 2022. <https://www.nami.org/Your-Journey/Identity-and-Cultural-Dimensions>

Financial Costs of Substance Use Addiction

Many people do not realize the true cost of addiction because it can be such a slow drain on a person's finances, career, relationships, and quality of life. Although it is impossible to put a dollar amount on the total cost of addiction, living with an addiction can be expensive. The economic side effects of addiction can impact a person's financial health for many years due to several factors, including:

Money Spent: The actual cost of buying substances adds up fast. The following information is based on an inexpensive six-pack of beer. Other forms of alcohol can cost significantly more.

Six Pack of Beer Purchased Weekly:	Weekly Cost:	Monthly Cost:	Annual Cost:	Cost in 10 Years:	Cost in 20 Years:
One	\$5.79	\$23.16	\$277.92	\$2,779.20	\$5,558.40
Two	\$11.58	\$46.32	\$555.84	\$5,558.40	\$11,116.80
Three	\$17.37	\$69.48	\$833.76	\$8,337.60	\$16,675.20

Loss of Productivity: Substance use dependency is associated with increased absenteeism from work, fewer promotions, and increased risk of unemployment. In this way, addiction can lead to lower incomes, job loss, and greater financial stress.

Lifestyle Changes: The time spent buying and using drugs, recuperating from drug use, and repeating this cycle of substance dependency could be spent on other aspects of a person's life. For example, learning new skills to increase job opportunities, exercising to take better care of one's health, or simply spending quality time with friends and family. Addiction can change one's lifestyle significantly and cost a person valuable time.

Illness: Drug and alcohol dependency can often result in illness, increased risk of injury, and/or higher medical bills that are either directly or indirectly related to addiction. Substance use disorders can also result in long-term loss of earning capacity due to illness, disability, and/or medical costs.

Insurance: A person who is struggling with addiction may have to pay more for car insurance or health insurance. The average person struggling with an addiction is charged with 1.4 DUIs, which

can result in increased car insurance rates (up to 300%), if not outright cancellation. DUIs can also lead to the suspension of a person's driver's license, which can make it difficult to apply for a job or loan or open a bank account. Comorbidity, illness, and injury caused by intoxication further increase the cost of insurance, which can leave an individual and/or their family more susceptible to higher medical bills.

Legal Bills: DUI's, arrest warrants and other legal problems may occur when a person is battling an addiction. These costs can add up significantly over time.

Loss of Earned Income: Substance use issues are strongly correlated with dropping out of high school or college, which can create a lifelong loss of earned income. In addition, Social Security and retirement benefits are correlated to earned income, so the loss of annual earnings can impact retirement and public benefits.

General Money Problems: Late bills, higher interest rates, and bad credit scores are also common problems when a person is struggling with a substance use disorder. These types of financial problems can occur when money that could go toward paying bills or debts goes toward buying the addictive substance instead. Accidents and higher insurance rates can also increase expenses and affect a person's chances of buying a car or qualifying for a mortgage. Not only does this hurt the person suffering from the addiction, it can impact the lives of partners, parents, siblings, and children for years to come.

Note: Addiction can pose a real threat to a person's financial future. The sooner treatment begins, the better the chance for success. Early intervention reduces the risk of illness, injury, increased legal and insurance rates, and can allow for the completion of educational, professional, and personal goals. The cost of treatment amounts to very little in the big picture. When the total impact is calculated, treatment costs often add up to only a few weeks or months of the cost of the addiction.¹⁰⁴

¹⁰⁴ Original material from Peerlink National Technical Assistance Center.

Financial Costs of Gambling Addictions

The most obvious costs of problem gambling are the expenses associated with gambling activities, such as sports betting, online gambling, lotteries, horse tracks, and casinos. Other economic side effects of problem gambling can include:

Increased Debt: Compulsive gambling results in a destructive “snowball effect” on finances. The average person receiving treatment for compulsive gambling is over \$30,000 in debt from gambling activities alone.

Many individuals who gamble max-out their credit cards and open up new lines of credit in order to fund their gambling. This increased debt frequently results in ruined credit, because anytime a person opens up a new credit card or charges it to more than 30% of its limit, their credit drops as a result. If a person has multiple lines of credit that are maxed out, they probably will also have difficulty making minimum payments. People struggling with gambling addictions frequently use money set aside for bills and paying off debts on gambling.

Higher Chance of Bankruptcy and Foreclosure: Individuals struggling with gambling addictions have a much higher chance of filing for bankruptcy. In Ontario, an estimated 20% of people with gambling addictions file for bankruptcy, while the overall bankruptcy rate is just 0.4%. People who struggle with compulsive gambling are also more likely to default on their mortgages and foreclose on their homes.

Recovery Costs: People who struggle with gambling addictions and decide to seek treatment can face thousands of dollars in recovery costs, from outpatient treatment with a counselor to the higher costs of an inpatient treatment facility. Yet without treatment, people struggling with compulsive gambling are more likely to relapse. Gambling recovery costs are much less in the bigger picture than the costs of not receiving treatment.

If you think you have lost control over your gambling or have developed an addiction, you can contact local resources for gambling addiction or call Gamblers Anonymous at 1-888-GA-HELPS.¹⁰⁵ To find help and resources in your state for problem gambling recovery, visit: <https://www.ncpgambling.org/help-treatment/help-by-state/>

¹⁰⁵ Original material from Peerlink National Technical Assistance Center.

Physical Health & Financial Issues

The Effect of Financial Issues on Physical Health: In addition to our mental health, our physical health can also be adversely impacted by economic insecurity and financial stress. People with higher debt-related stress can be more likely to experience a number of health issues, such as being:

- More than 13 times more likely than low- to no-stress people to lose sleep at night
- More than seven times as likely to have severe anxiety
- Nearly seven times as likely to take stress out on others
- Nearly six times as likely to experience severe depression
- Four times as likely to have ulcers or other digestive problems
- Twice as likely to have heart problems and migraines¹⁰⁶

Chronic financial stress has been linked to frequent headaches and migraines, stomachaches, heart disease, diabetes, insomnia, and more. Constant stress and anxiety put the body in survival mode, not allowing the body to recover, which weakens the ability of our immune systems to fight off infection.

The Effect of Physical Health Issues on Finances: Physical health issues can also lead to financial problems by affecting one's ability to work for periods of time or leading to large medical bills. Being uninsured or not having the savings to pay for routine or emergency medical costs can be extremely stressful. It can also delay much-needed medical care and lead to worse health outcomes and higher costs in the long-run. A key to financial stability is adequate health insurance. Many individuals and families with low incomes qualify for free health insurance, including mental health care, through Medicaid.

Note: Many states offer reduced or no-cost health insurance coverage for lower-income people and their families through Medicaid. Sign up for the Oregon Health Plan if you have not already at: <https://one.oregon.gov/>

Planning ahead: Although you cannot plan for every possibility, creating a plan for potential health problems is a good idea. If you can, start saving up money in a savings account that you set aside specifically for emergencies. If you are able to and your job allows it, keep a good amount of paid time off saved up in case of illness. There are also insurance plans designed to

¹⁰⁶ Original material from Peerlink National Technical Assistance Center.

assist during times of short-term disability or medical crises. Some insurance plans have benefits that pay for lost or reduced wages, medical bills, and other costs that go beyond your general health insurance.¹⁰⁷

Tips for Reducing Financial Stress: ¹⁰⁸

- Find additional sources of income and set aside that money for bills, paying off debts, or put it in a savings account.
- Follow your personalized budget and make adjustments when needed. Cut expenses where you can.
- Organize your debts. Create and follow a personalized debt-reduction plan, such as the Action Plan you created and debt-payoff techniques you learned in Workshop Seven.
- Write down and organize the aspects of your finances that cause you stress, and brainstorm ways to address them. Reach out to trusted friends, family members, or mentors for assistance in brainstorming solutions.
- Practice stress-reduction strategies, such as meditation, yoga, deep breathing, physical exercise, eating nutritious foods, and getting enough sleep. Follow some of the mindfulness and self-care strategies you learned in Workshop One.
- Seek support from your family, friends, mentors, counselor, partner, etc.
- Make time to relax and have fun. Get creative with low-cost, budget-friendly leisure and entertainment activities.

Note: Economic insecurity and mental health and/or addiction challenges are intertwined and impact one another. By taking this financial empowerment course, you are already taking important steps towards reducing financial stress and taking care of your mental and financial health and well-being. By getting our finances in order and taking care of our mental and physical health, we can reduce the impact money-related stress has on our mental and physical health and improve our overall well-being.

¹⁰⁷ Original material from Peerlink National Technical Assistance Center.

¹⁰⁸ Elizabeth Scott. "Financial Stress: How to Cope." *VeryWell Mind*, Sept. 17, 2021. <https://www.verywellmind.com/understanding-and-preventing-financial-stress-3144546>

Creating a Financial Crisis Plan

Step 1: Before beginning your financial crisis plan, it can be helpful to first identify the ways in which your mental health is affected by your current financial issues or stressors. After this, identify the ways in which your finances are affected by your mental health, physical health, addiction/ substance use, and/or treatment issues.

How Financial Issues Affect Me	Never	Rarely	Sometimes	Often
I experience anxiety.				
My sleep is interrupted.				
I feel hopeless.				
I can't purchase needed medication or access services.				
I can't buy the things I want.				
I do without necessities.				
I feel ashamed.				
I worry about my future.				
My relationship with my partner is strained.				
I dread (or avoid) opening mail or answering the phone.				
I feel out of control with my spending.				
I have to work more than I would like just to pay my bills.				
I can't go out with my friends or take a vacation.				
I feel powerless over my finances.				

Step 2: Once you have identified how your mental health, addiction, substance use, and/or physical health issues impact your finances, you can begin to create a Financial Crisis Plan that will work for your needs.

My Financial Crisis Plan:

When I do this (or experience this):	I will do this:
Rather than doing this:	I will do this instead:

An Example of a Completed Plan:

When I do this (or experience this):	I will do this:
My medication makes it hard for me to read the fine print on contracts and bills.	I will have a friend help me read my bills and contracts.
When I get depressed, I stop caring about my finances.	My friend will support me while I write checks for my bills.
When I am hospitalized, I can't access my finances.	My friend will bring my billing statements, my checkbook, and stamps to me in the hospital.
Rather than doing this:	I will do this instead:
I lose my bills in piles of paperwork throughout my apartment.	I will keep my unpaid billing statements in one place where I can easily find them.
I avoid opening my mail.	I will have my friend sit with me twice a week while I open my mail.

Step 3: Another tool that may be helpful for you is to make a list of all your expenses and when their payments are due. This is slightly different from a budget, in that it is meant to be a reminder for *expenses only*.

This is something you can also share with a friend, family member, or mentor who you've asked to help you in times of financial crisis. If you decide to use this tool, it's a good idea to keep it with your other important financial items, like your checkbook and bank statements. For your financial safety, you may decide to give your friend an edited copy of this form without your account information.

My Payment Tracking Plan:

Company Name:	Account Information:	Payment Method:	Due:
Power Company	123456789	Automatic bill pay with my debit card	5th of the month

Identifying Someone to Support You

It might be helpful to identify someone you trust to assist you during times of crisis, such as during hospitalizations or altered mental states. This could be a family member, a trusted friend, or a mentor. If you decide to have someone assist you with your finances, you should keep these things in mind:

- Is this someone you know well and trust?
- How reliable is this person?
- How much assistance do you think you will need?
- How will you let this person know what you need from them?

Keep in Mind: The more information your support person has about your finances, the greater your risk of fraud or identity theft. Because of this, it is vital that the person you choose to support you is trustworthy and has your best interests in mind. If the nature of your relationship changes or if you start having reason to distrust this person, change your account information right away.

A Note about Representative Payees¹⁰⁹

The Social Security Administration (SSA) will provide benefit management services to those who receive SSI or Social Security benefits and are unable to manage these payments on their own. Generally, the SSA will look to family members or friends first to serve as representative payees, and then to people from qualified organizations.

If you have a representative payee, keep in mind that you have the right to view your financial records. Your payee controls ONLY the money you receive from SSI or SSD benefits (unless you have entered into an additional arrangement).

Your payee **may not** control wages you earn beyond Social Security benefits, but they are required to report changes in your income to the Social Security Administration (SSA). *If you suspect your payee is misusing your funds, report your suspicions to the SSA right away.*

For more information on your rights, visit <https://www.droregon.org/financial-protection>

¹⁰⁹ "Representative Payee." *Social Security Administration*. <https://www.ssa.gov/payee/>

Relationship Issues & Financial Issues

One of the most common issues that can cause problems in relationships is money. In fact, the #1 contributing factor that leads to divorce is financial issues. Financial issues can cause problems in many relationships, from romantic partners to friends and family members. We tend not to talk about money with those we are closest to. When we do, the conversation can often become emotionally charged and we may end up in a fight or the issue may go unresolved.

Some common money-related issues that can occur in a relationships include:

- Different thoughts about spending and saving
- The complications of sharing accounts and expenses
- An inequality of money

People may not share important information about their finances with their partner, such as debts or spending habits, which can create division in a relationship over time. Another common difficulty in relationships is having different or conflicting thoughts and opinions about money and how to spend it. When one person prefers to live frugally and on a strict budget and the other person is comfortable spending money as soon as it's available, this can lead to resentment and distrust. Economic inequality in a relationship (when one person earns significantly more than the other) can also cause resentment in both partners.

For all of the reasons outlined above, it is important to have open communication about money in a relationship. Set aside a block of time each month to talk about finances with your partner or family members. This will enable you to budget and plan *together* and get support from your partner, friends or family if you are struggling financially.

Although these issues seem to be centered on finances, the underlying problems in relationships are often less about money and more about a lack of communication and an unequal division of power or control. It's a good idea to recognize this and to approach these issues as a united front.¹¹⁰

¹¹⁰ Original material from Peerlink National Technical Assistance Center.

What are some ways in which financial stress and issues around money have affected your relationships?

Tips for Communicating about Financial Issues Effectively with Your Partner:

- Before you talk about money, explore what you both need that you are not currently getting from your partner. Examples could be time and attention, reassurance that you will be OK, emotional support, appreciation, space for yourself, acceptance, or recognition for your accomplishments.
- Discuss these needs using sentences beginning with "I" that do not blame or criticize.
 - "I think it would help if I had 30 minutes to myself when I come home."
 - "I want to be part of our financial decisions even if I seem to be afraid or avoiding it."
 - "I'm assuming that you don't want to connect with me when you are on the computer."
 - "I'd like us to get away from these problems, just the two of us, at least once a week."

- Admit to your partner what you are afraid of or worried about and focus on what would make you feel better. Examples include: 1) sharing the burden, 2) transparency with information about the problem, 3) encouragement when things are tough, 4) or getting outside help.
- Since there will never be a day without relationship problems *or* financial stress, don't wait for that. Connect now. Remember what brings you joy in your relationship and make time to do those things, whether it's taking a walk, working on a project together, time spent alone together, or time shared with family.
- Talk about money. When you are ready to be honest with yourself and each other, have the conversation – it can be difficult but it is worth it for your mental health and the health of your relationship. Keep emotions separate and don't put blame on one another. Look at the numbers and accept your share of the responsibility whether that is spending, being under-employed, procrastinating payments, etc. Get help, read about healthy financial habits (like taking this course!), and work together to make a change gradually over time.¹¹¹

Financial Abuse

What is Financial Abuse?

Financial abuse, or economic abuse, involves controlling a person's ability to acquire, use, and keep financial resources. Economic abuse is very common in abusive relationships and is often the first sign of domestic abuse and violence. Financial abuse may be accompanied by other types of abuse in a relationship, or it may stand alone as a form of control and manipulation.

Financial abuse can include preventing the survivor from working, restricting or stealing money, and manipulation and intimidation of the person being abused. The goal of the abuser is to gain and maintain power and control in the relationship.

Financial abuse is a powerful way of trapping someone in an abusive relationship. Survivors often cite economic insecurity for themselves or their children as a reason for not escaping an abusive relationship sooner.

¹¹¹ Ann Smith. "Blaming Money for Relationship Woes?" *Psychology Today*, January 28 2010. <https://www.psychologytoday.com/us/blog/healthy-connections/201001/blaming-money-relationship-woes>

Warning Signs of Financial Abuse:

- Your name is not on the household checking account or on joint purchases like car loans, mortgages, cell phone plans, or apartment leases.
- Your partner is trying to control your use of, or access to, money you earned or saved.
- Your partner is using your money, assets, or credit cards without permission.
- Your partner requires you to bail them out of financial crises.
- Your partner demands you give them your paycheck, credit card, and account passwords.
- Your partner criticizes your job, pressures you to quit, or harasses you at work.
- You cannot buy the things you need (medications, feminine hygiene products, necessary toiletries), while your partner always seems to have what they need.
- Your partner spends your Social Security money. This is illegal. Your Social Security check is intended for **your use only**.
- Shared credit cards are always maxed out. If your partner never allows you to pay down the credit card, this may be a way of keeping you in the relationship by limiting your options to move out.
- You are not allowed any money for your own recreational use. Your partner has money to be spent on fun and you do not.
- You are not allowed to purchase a car, even with your own money. This keeps you isolated, away from family and friends, and reduces your independence.
- You are discouraged from seeking career or job opportunities that can earn you more money. This is to keep you financially dependent on your partner.
- You must account for every penny you spend.
- Your partner criticizes the financial decisions you make.
- Your partner controls *all* of the household finances¹¹²

If you suspect you are being abused financially, reach out to someone – a friend, family member, co-worker, counselor or other expert. If you don't feel that you have someone in your life you can trust with this kind of information, you can contact a local domestic abuse hotline or the National Domestic Violence Hotline at 1-800-799-SAFE (7233).¹¹³

¹¹² Sherri Gordon. "How to Identify Financial Abuse in a Relationship" *VeryWell Mind*, May 6, 2020.
<https://www.verywellmind.com/financial-abuse-4155224>

¹¹³ Original material from Peerlink National Technical Assistance Center.

Resources for Getting Out of an Abusive Relationship:

- For more information on financial abuse, visit: <https://nnedv.org/content/about-financial-abuse/>
- For information on financial questions when leaving an abusive relationship, visit: <https://www.womenslaw.org/about-abuse/forms-abuse/financial-abuse/financial-matters-when-leaving-abusive-relationship>
- For FAQs about financial abuse, and additional information on planning ways out of an abusive relationship, visit: <https://www.womenshealth.gov/relationships-and-safety/other-types/financial-abuse>
- For how get out of a financially abusive relationship and repair your financial situation, visit:<https://www.joinonelove.org/learn/keep-these-5-resources-on-financial-abuse-bookmarked/>
- For help and support, visit The National Domestic Violence Support Hotline: <https://www.thehotline.org/>
- For information on safety planning, visit: <https://www.bwss.org/resources/economic-empowerment-strategies-for-women/understanding-financial-abuse-safety-planning/>
- For a guide on how to recognize financial abuse and how survivors of domestic violence can rebuild their finances, visit: <https://vawnet.org/material/hope-power-your-personal-finances-rebuilding-guide-following-domestic-violence>
- To find shelters and advocacy organizations in Oregon, visit: <https://www.ocadsv.org/find-help>
- In Portland, Oregon, Raphael House has survivor-led, peer-support services for domestic abuse survivors who are also experiencing addiction. For more information on their programs, services, and resources, visit: <https://raphaelhouse.com/supportive-services/> <https://raphaelhouse.com/get-help/>
- In Portland, Oregon, Bradley Angle is another safe space for any survivor of domestic violence, providing a 24 crisis line, emergency shelters, support groups, and more. For more information, visit: <https://bradleyangle.org/get-help/emergency-services/>

WORKSHOP 8: SUMMARY

In this section, we returned to our conversation about the reciprocal relationship between mental health and/or addiction challenges and financial insecurity.

First, we learned how living in poverty is linked to a number of mental health challenges in children and adults and discussed the relationship between addiction and money problems. We also learned about the relationship between physical health issues, financial issues, and stress.

Next, we created a Financial Crisis Plan by identifying how our financial issues and mental health, physical health, and/or addiction challenges affect us; and how we will address these issues when they occur. We also created a payment tracking plan and thought about how we might ask a friend or family member to support us with our finances during times of crisis.

Next, we learned about how financial issues can affect a person's relationships and how to communicate with your partner about money. Finally, we learned about what financial abuse is, its warning signs, and resources for getting out of an abusive relationship.

How can the topics I learned in this section be helpful for me?

Topic	N/A	How this will be helpful to me:
The relationship between money issues, poverty & mental health challenges		
The financial costs of addiction & problem gambling		
Financial issues & physical health issues		
Creating a Financial Crisis Plan; tracking expenses; identifying someone to help		
Relationship issues & financial issues		
Financial abuse: warning signs & resources		



WORKSHOP 9

HOW TO FILE TAX RETURNS &
RESOURCES FOR DOING SO

