

**Financial Therapy: Helping clients with
money as well as mental health problems**

Michael Gutter, PhD

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Without a steady paycheck, adequate home equity, a stable retirement portfolio or sufficient savings to meet household expenses, millions of Americans may be at risk for mental health outcomes such as depression, anxiety, and suicide.

Let's talk about...

We will review the research documenting the relationship between financial stress and mental health problems.

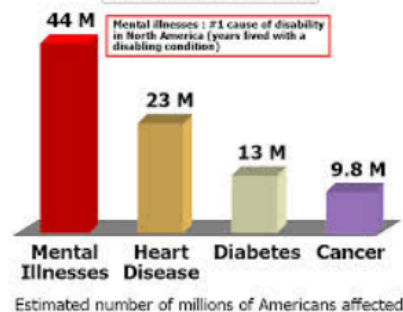
We will encourage a conversation about new approaches to collaborate and consult with professionals in the financial planning, counseling and therapy fields.

What is Mental Health?

Mental Health - Mental Illness Continuum

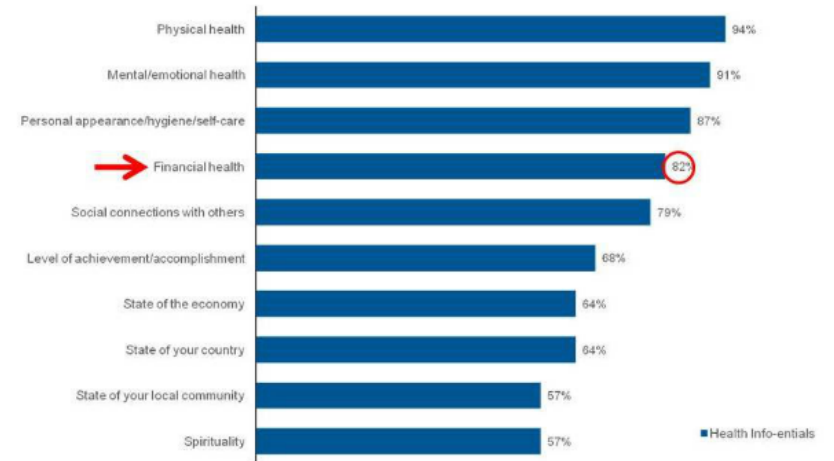


Prevalence of Illnesses



Estimated number of millions of Americans affected

Financial Health is Part of Overall Health and Wellbeing



Source: Edelman Health Engagement Barometer, October 2009

“You’re more likely to see someone having a panic attack than you are to see someone having a heart attack,” says Linda Rosenberg, CEO of the National Council for Community Behavioral Healthcare

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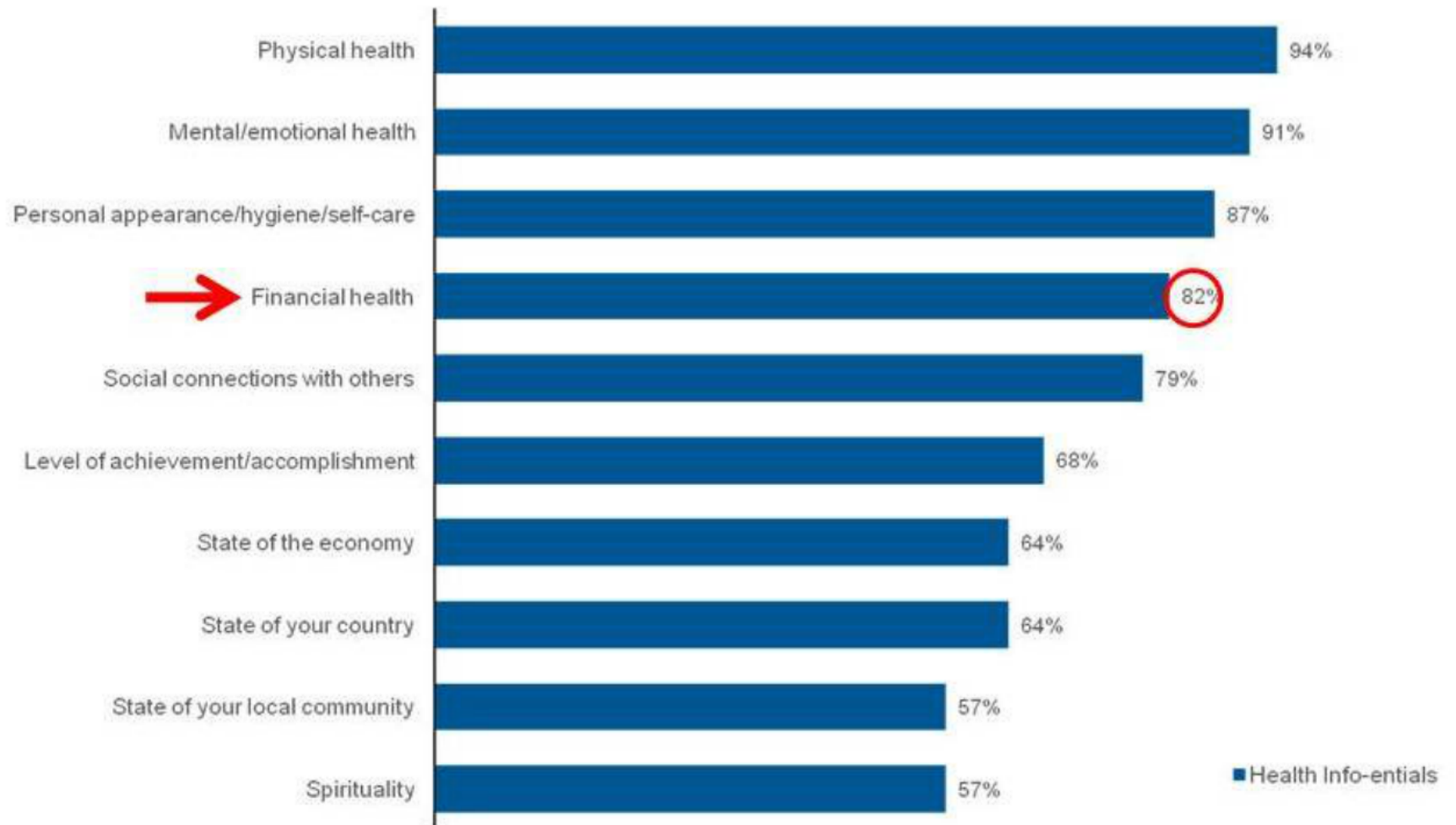
Mental illnesses : #1 cause of disability in North America (years lived with a disabling condition)

“You’re more lik



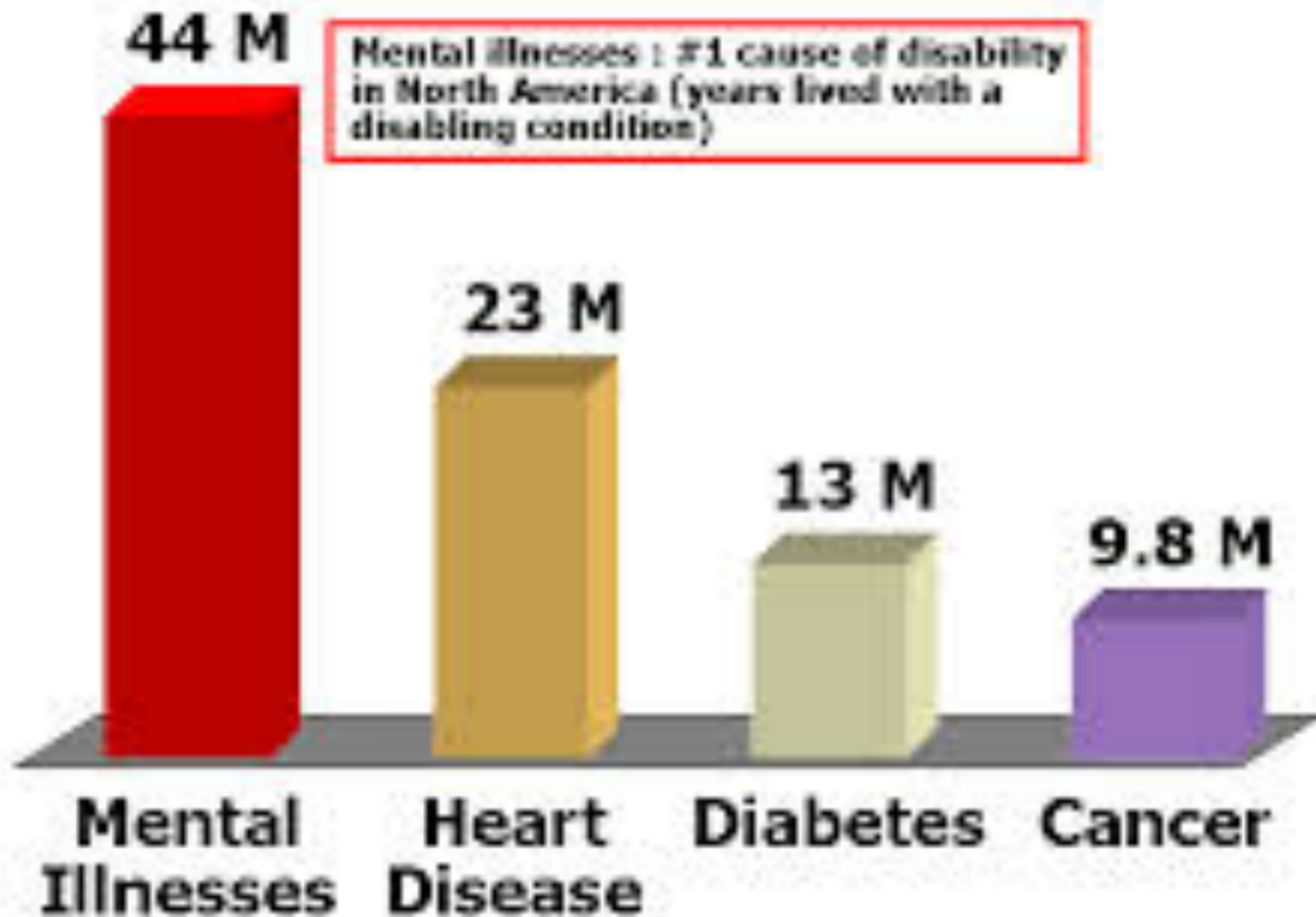
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Prevalence of Illnesses

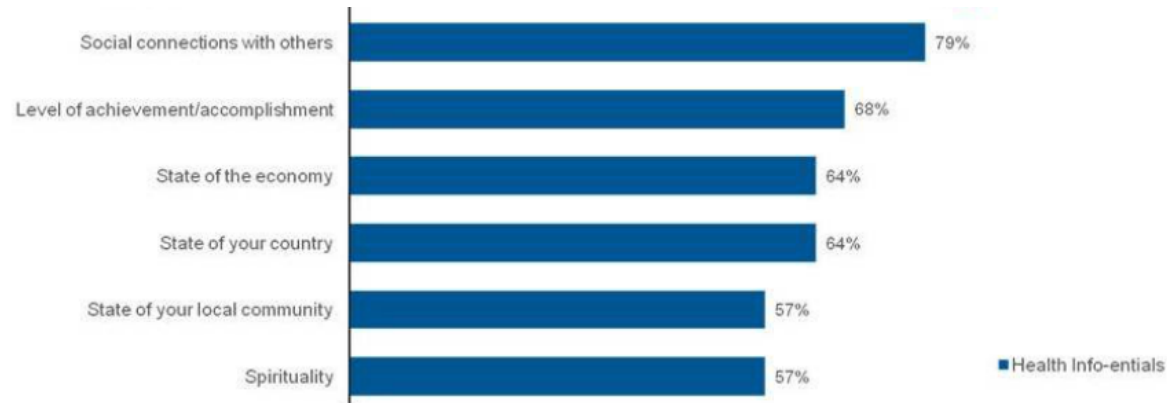


Estimated number of millions of Americans affected

Data sources:
Cancer: National Cancer Institute (SEER data)
Heart Disease and Diabetes: National Survey on Health (NHANES) (2003-2006)
Mental Disorders: Substance Abuse and Mental Health Services Administration (SAMHSA) (2003)

Estimated number of Americans affected by mental illness. The figure is based on data from the National Comorbidity Survey Replication (NCS-R), a nationally representative household survey of the U.S. population aged 18 and older. The survey was conducted from 2001 to 2004. The figure is based on data from the NCS-R, which is a household survey of the U.S. population aged 18 and older. The survey was conducted from 2001 to 2004. The figure is based on data from the NCS-R, which is a household survey of the U.S. population aged 18 and older. The survey was conducted from 2001 to 2004.

Emotional problems or concerns	Mental illness
Mild to moderate distress	Marked distress
Mild or temporary impairment	Moderate to disabling or chronic impairment



Source: Edelman Health Engagement Barometer, October 2008

“You’re more likely to see someone having a panic attack than you are to see someone having a heart attack,” says Linda Rosenberg, CEO of the National Council for Community Behavioral Healthcare

The feeling of money

Money is a subject that elicits a host of emotional reactions that stem from religious, cultural, socioeconomic, gender and ethnic experiences.

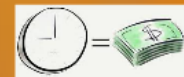
Our thoughts can trigger emotions which influence financial behaviors such as earning, spending and saving habits.

Similarly, our emotions can influence our thoughts and subsequently, our actions.

Unconscious and automatic money scripts are deeply ingrained in our sense of self and they are difficult to identify and change.



$$\$ = \sqrt{\sum_{i=1}^n e^{V_i} I}$$



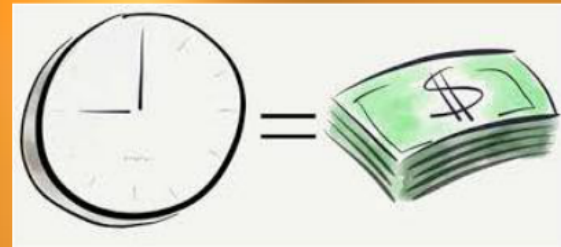
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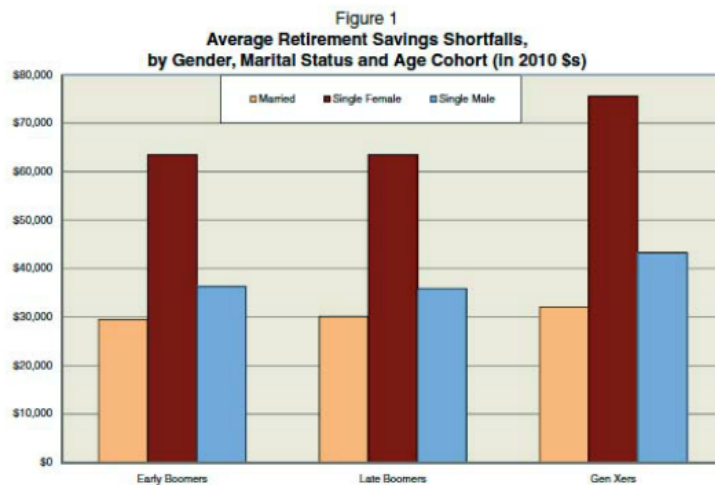
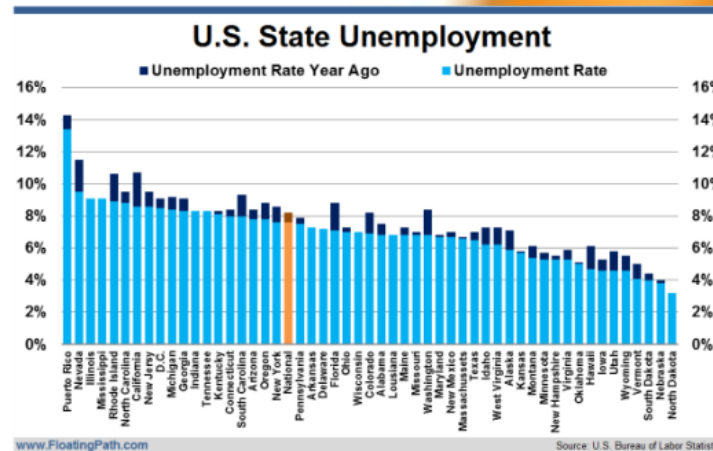
e our thoughts



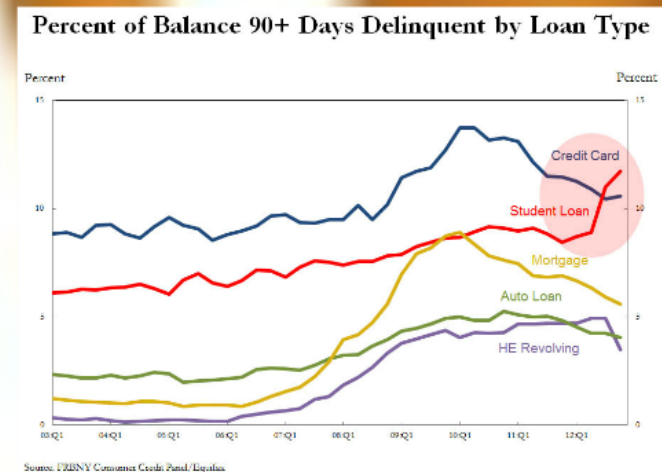
$$\text{\$} = \sqrt[n]{\sum_{i=1}^{\infty} e^{v_i l}}$$



Clients come to us with concerns about...



Source: EDBF Retirement Security Projection Model™ version 10092001.



U.S. State Unemployment

■ Unemployment Rate Year Ago

■ Unemployment Rate

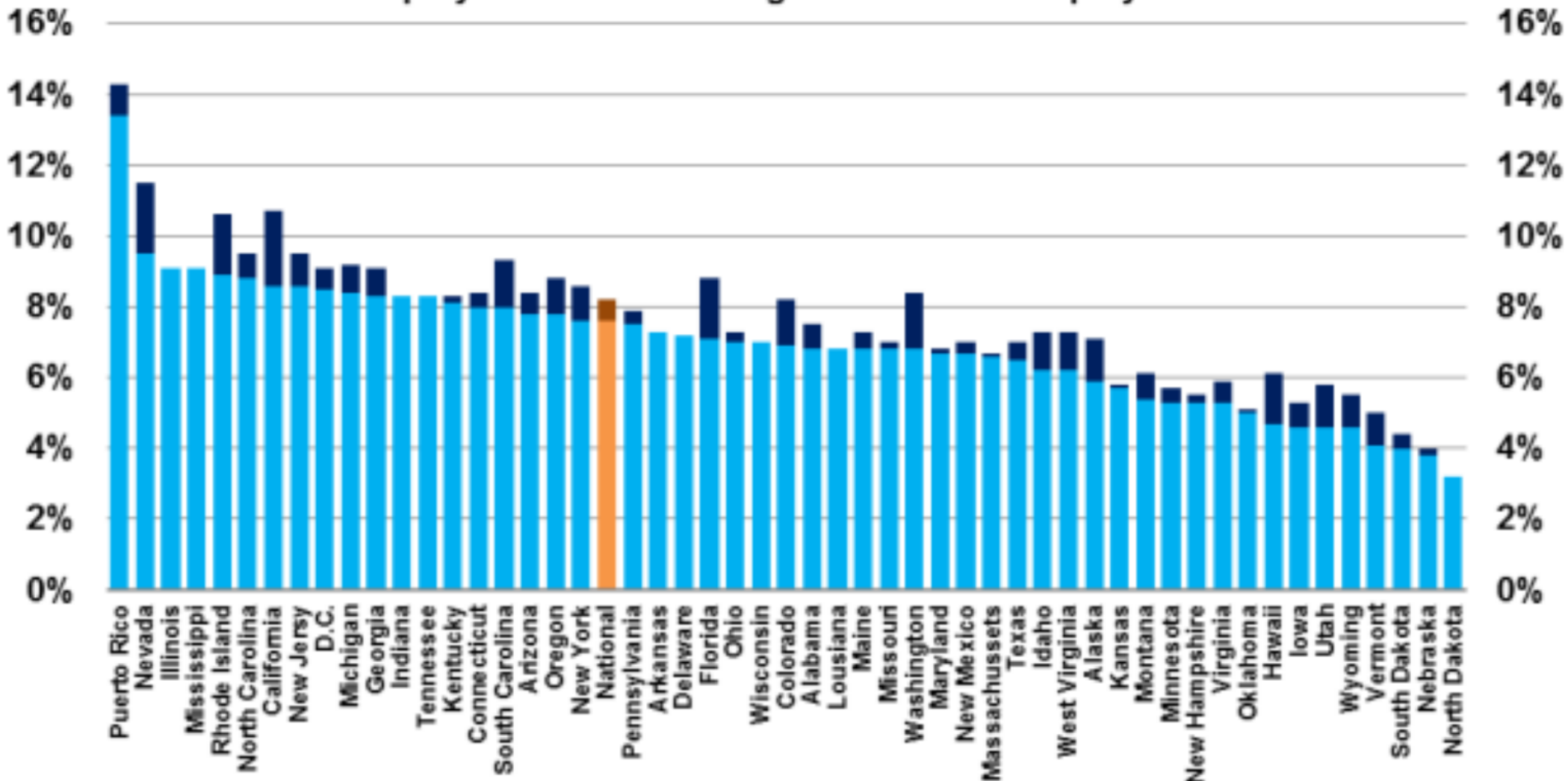
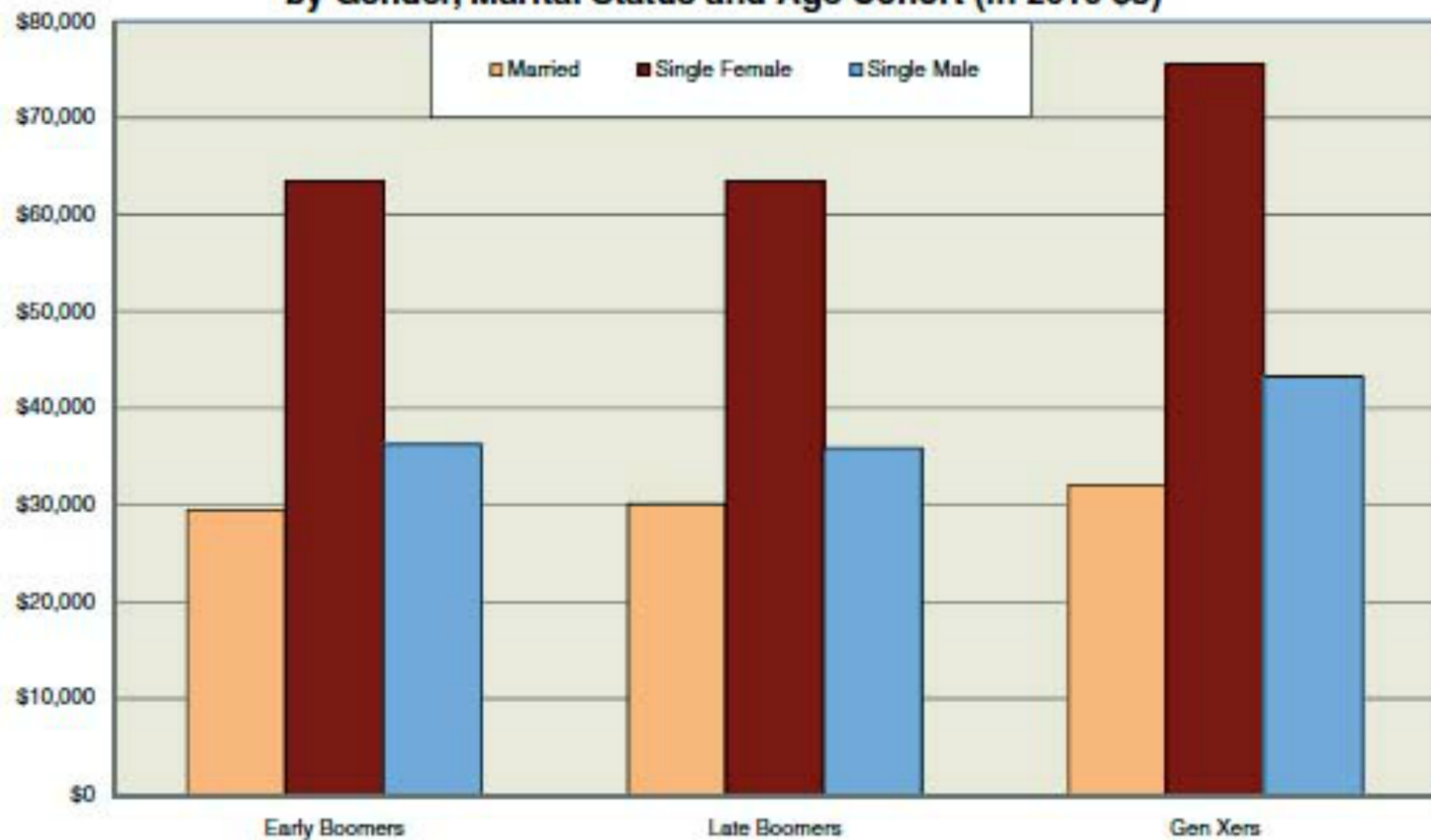
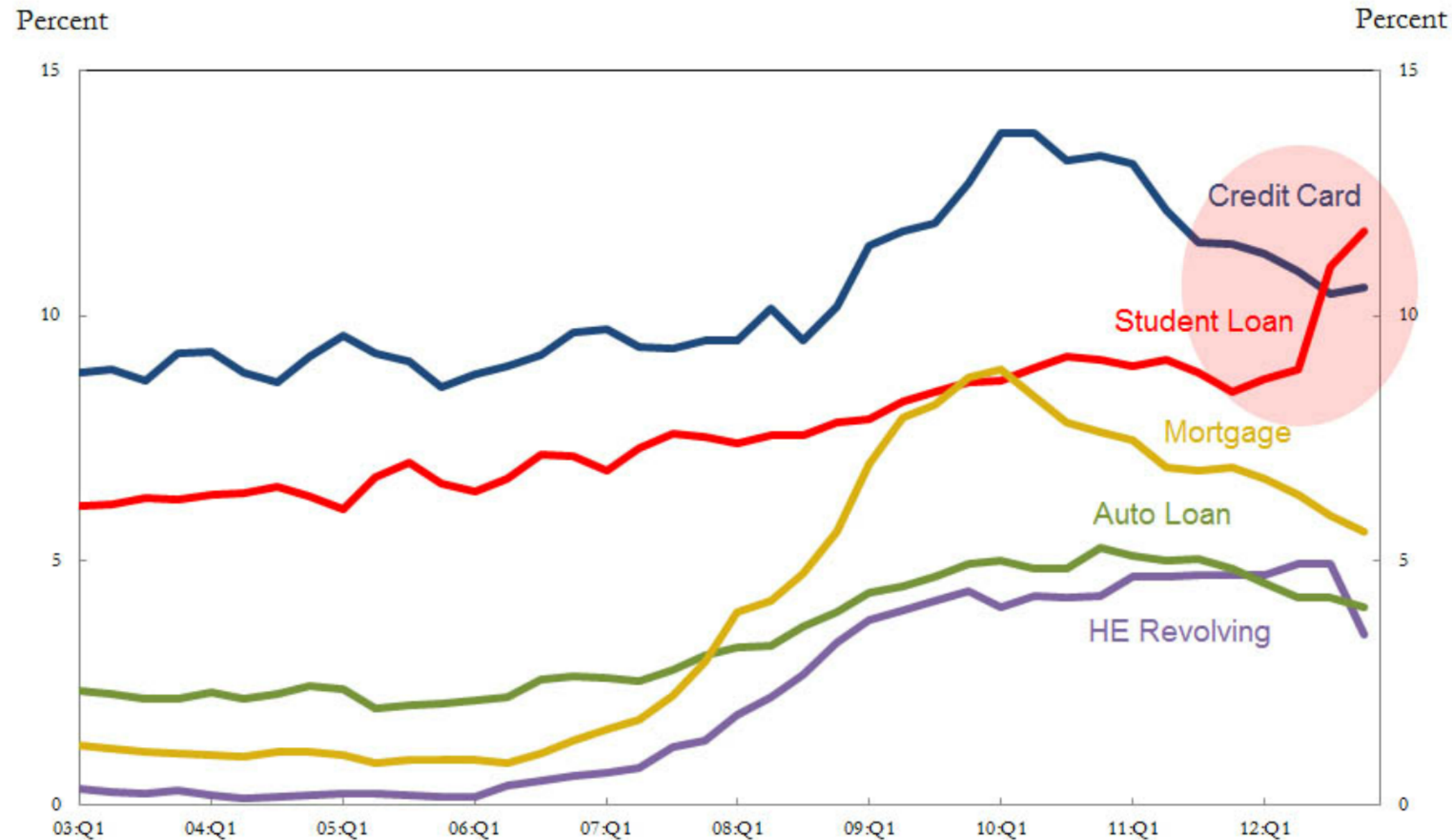


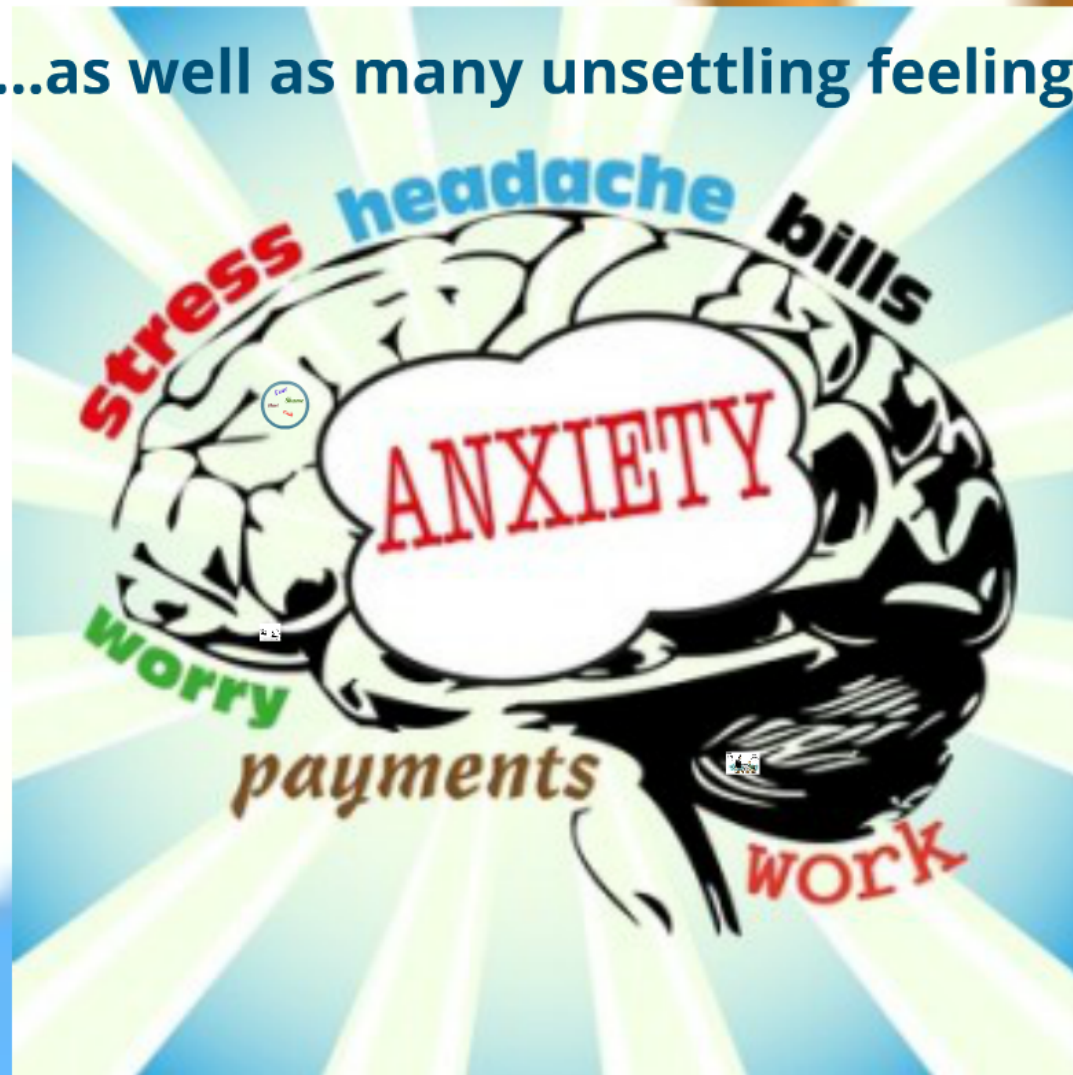
Figure 1
**Average Retirement Savings Shortfalls,
by Gender, Marital Status and Age Cohort (in 2010 \$s)**



Percent of Balance 90+ Days Delinquent by Loan Type



...as well as many unsettling feelings



Fear

Shame

Hurt

Guilt





**“For fast relief from stress, depression and anxiety,
four out of five doctors recommend money!”**

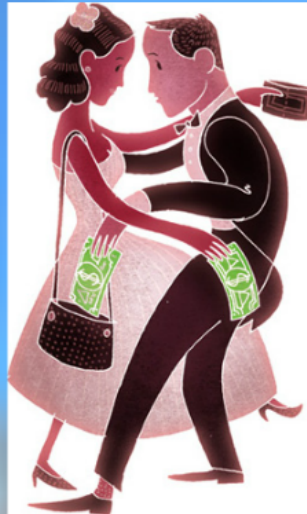


**What does research tell us
about the relationship
between financial stressors
and mental health?**



Couples

Couples express greater marital satisfaction when they perceived they were financially competent (Kerkman et al, 2000) and shared financial resources and decision making (Kurdek, 1991).

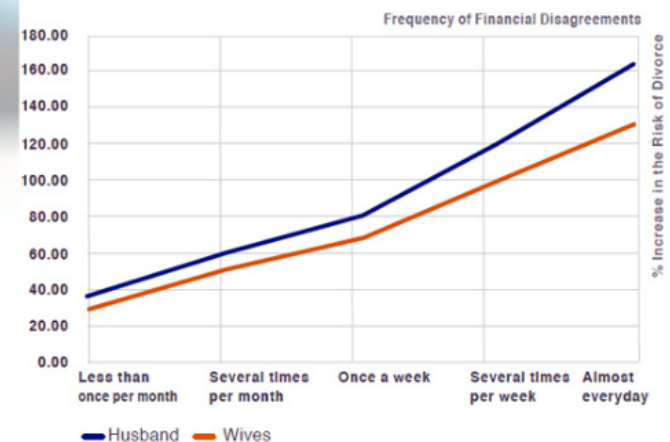


Arguments about money may not occur with the highest frequency, but they occur with more intensity and result in less resolution than other conflicts (Papp et al, 2009).



Couples burdened with higher debt levels argued more frequently and spent less time together as they felt their marriage was unfair (Dew, 2008).

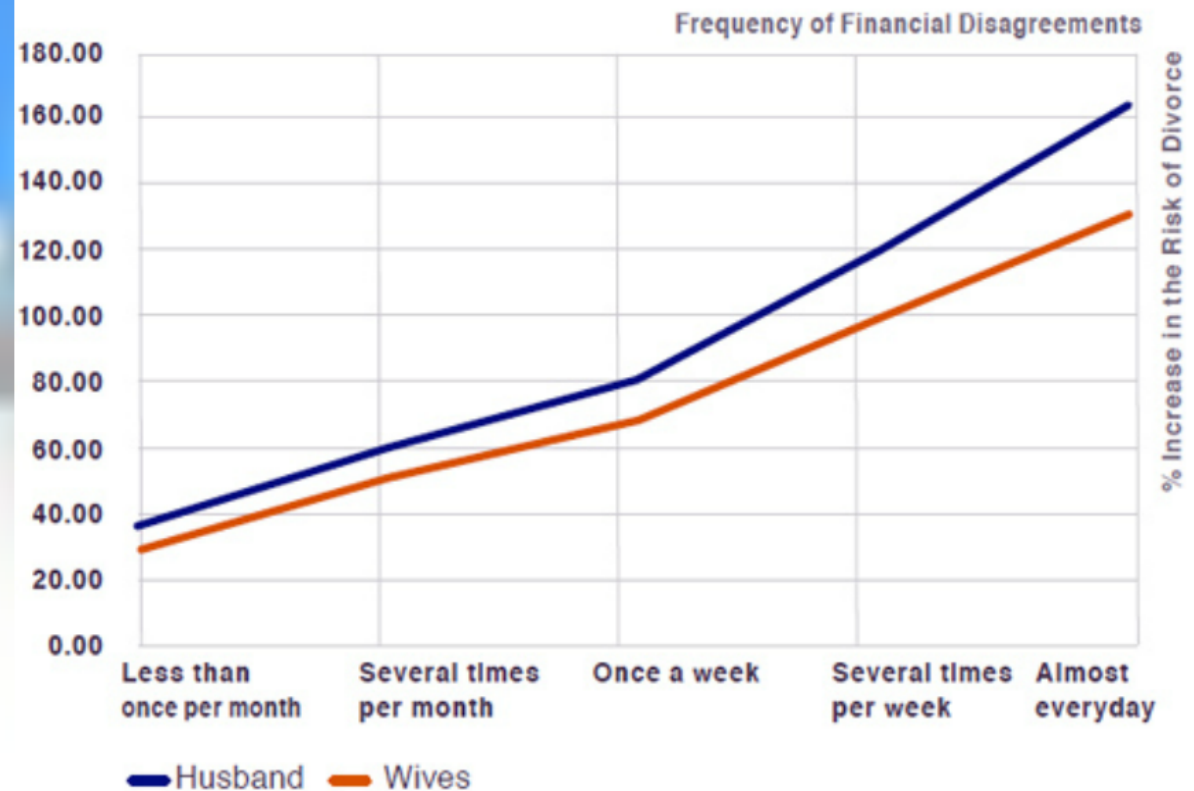
FIGURE 3. THE ASSOCIATION BETWEEN FINANCIAL DISAGREEMENTS AND DIVORCE



2009).

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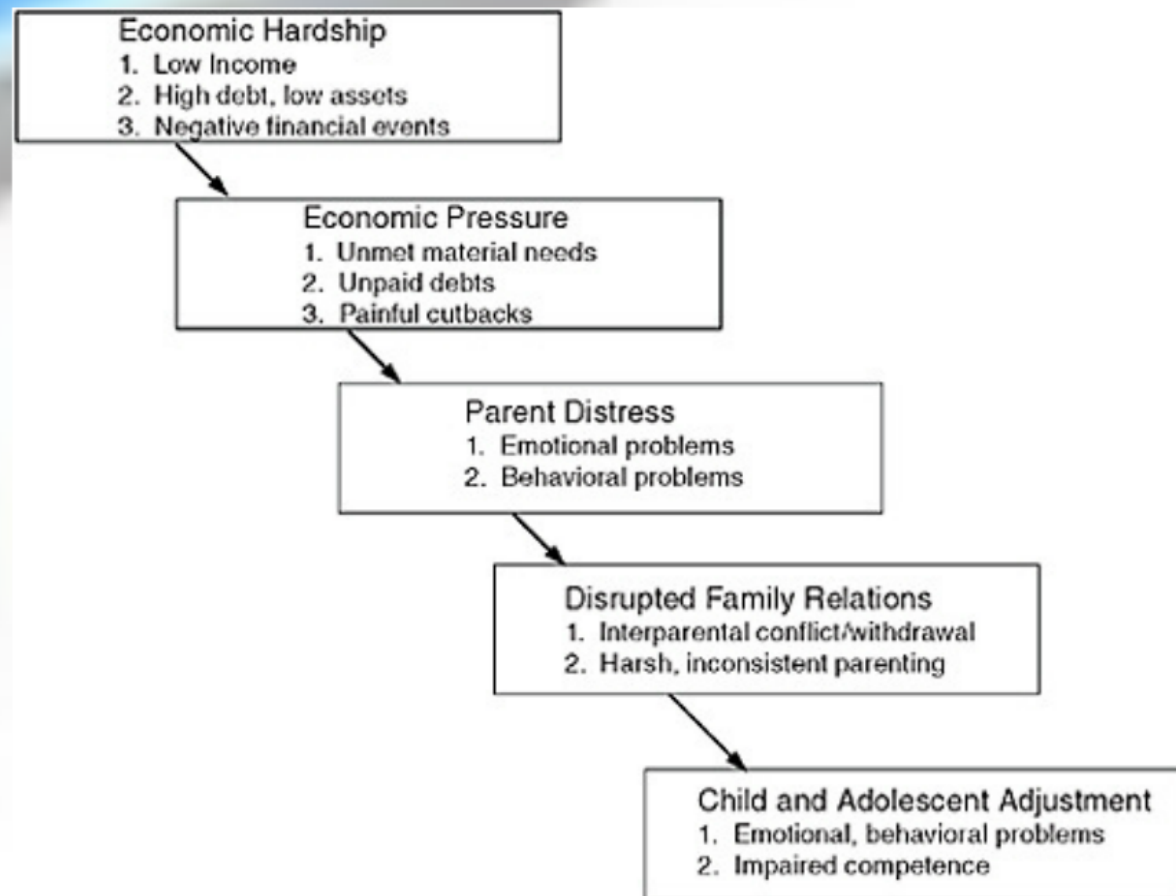




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Families

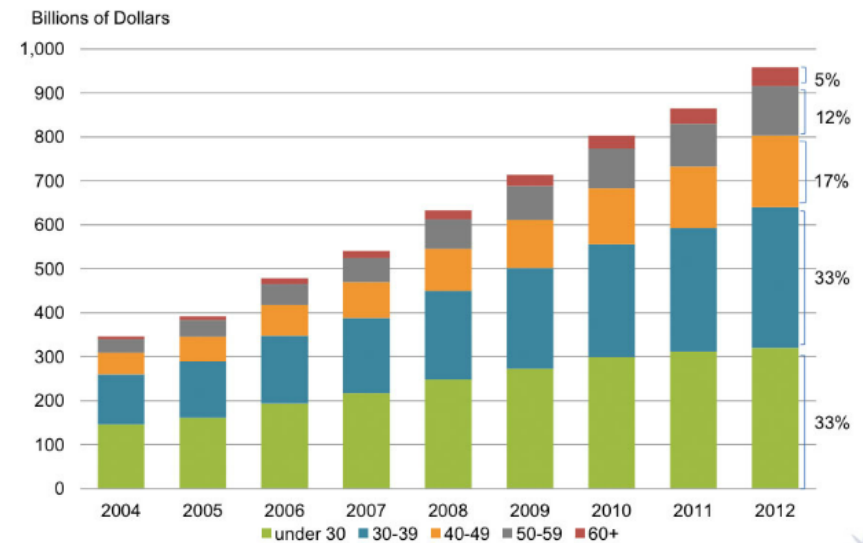
Economic distress is associated with increased levels of anxiety, depression, self-reported illnesses, and negative self-esteem. Children's perceptions of their parent's social status and parental authority decline when a parent experiences unemployment (Elder, 1999).



College students with significant concerns about debt scored higher on measures of anxiety, nervousness, tension, sleeping difficulty and sensitivity to criticism (Cooke, Barkham, Audin, Bradley, Davy, 2004).

Young Adults

Total student loan balances by age group
increasing across all age groups



Source: FRBNY Consumer Credit Panel / Equifax

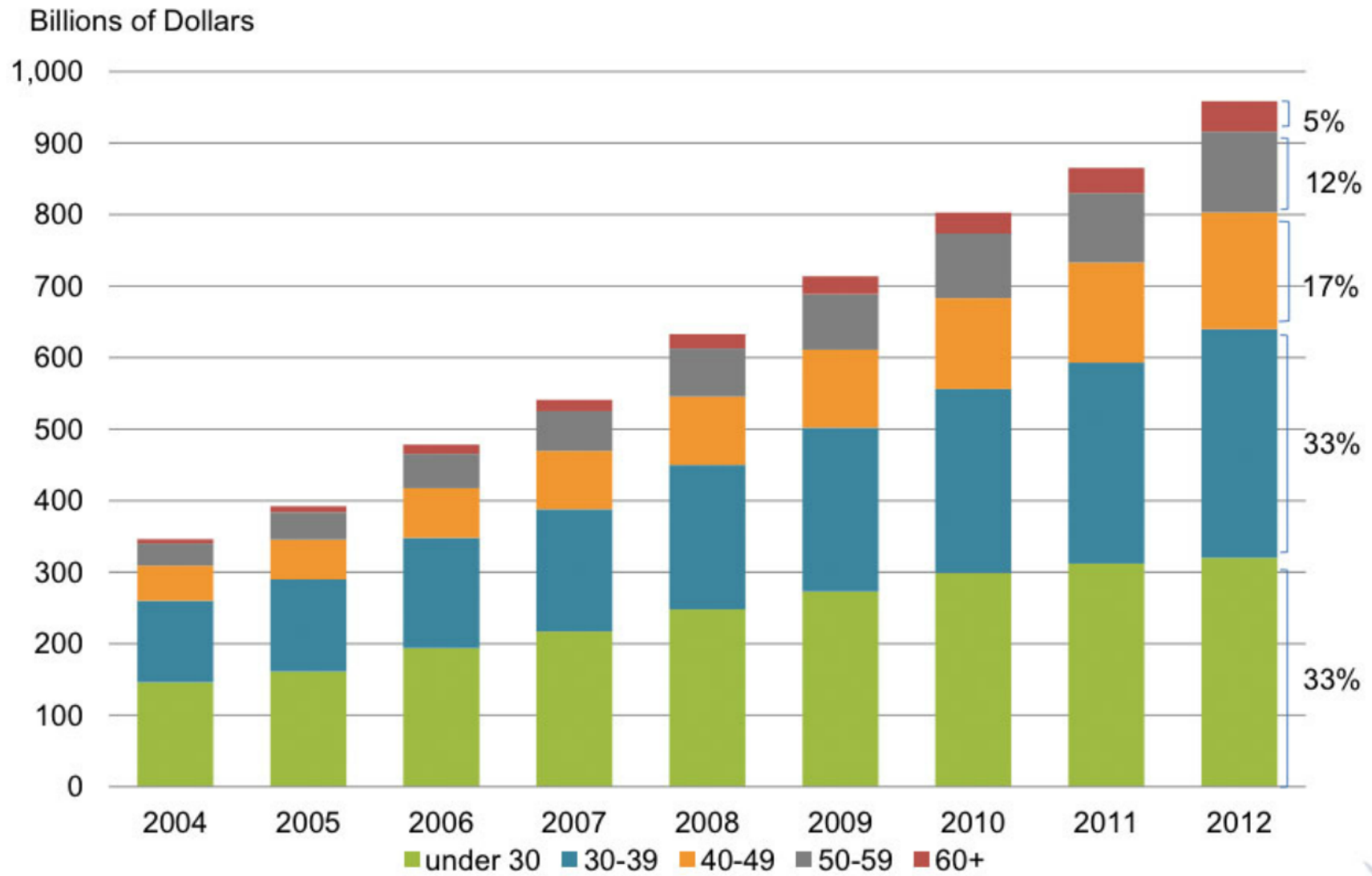
forstudentpower.org



4

Total student loan balances by age group

increasing across all age groups



Source: FRBNY Consumer Credit Panel / Equifax

forstudentpower.org



What is a financial professional to do when....

Financial issues trigger an emotional response from a client such as

- worry about providing for survivors on one's death,
- distress over pending or recent divorce,
- anxiety about sheltering or hiding assets,
- fear of the possibility of outliving one's assets,
- concern about an investment loss.

A financial professional may be the “holder of secrets, goals and dreams” as a client is likely to confide in his/her financial professional more than a doctor, priest, or therapist.

(Swanson, A. C., & Briadfort, R. 2012).

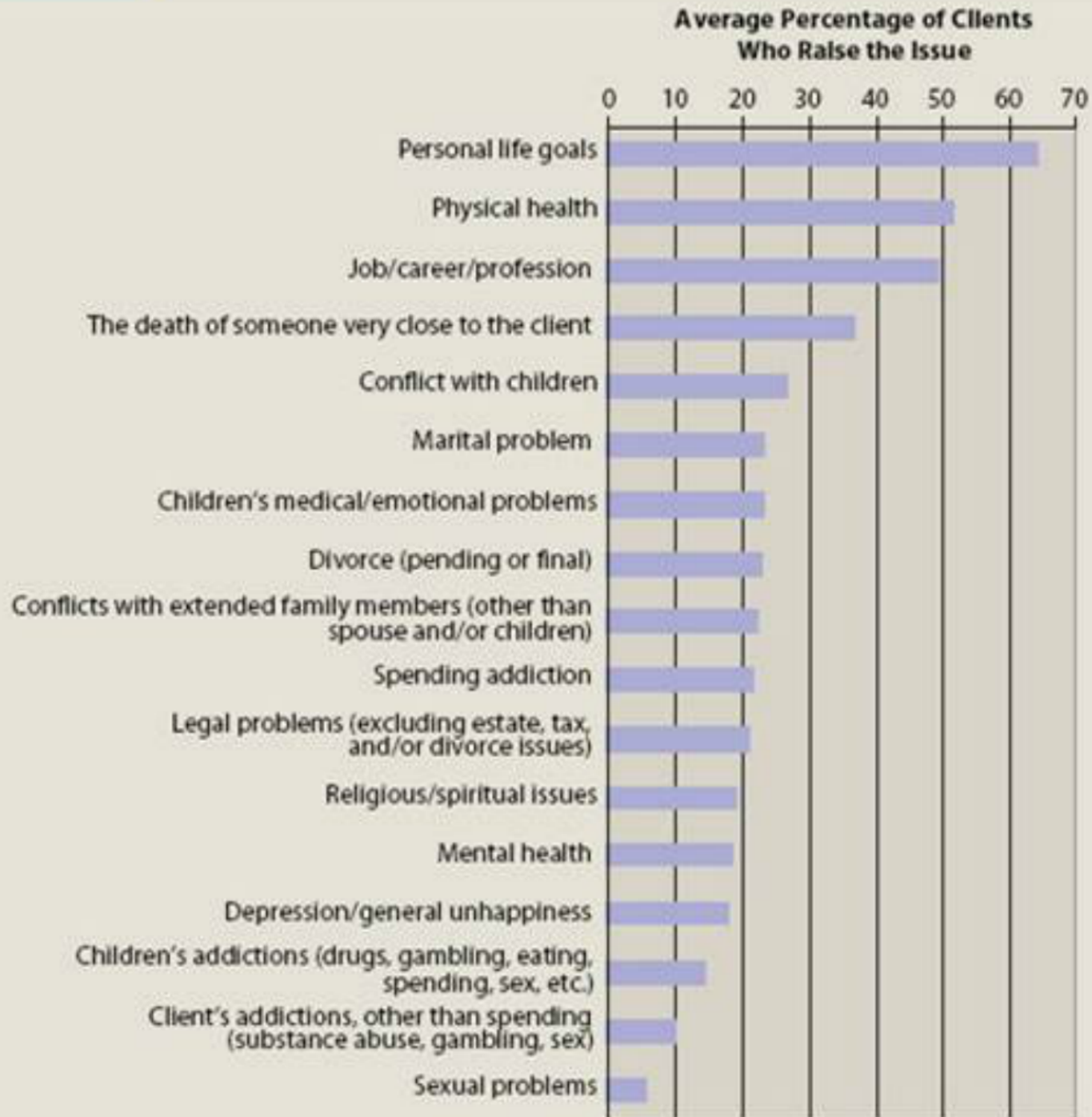
Figure 1:**Non-financial Issues that Clients Raise with Financial Planners**

Figure 1:

Non-financial Issues that Clients Raise with Financial Planners

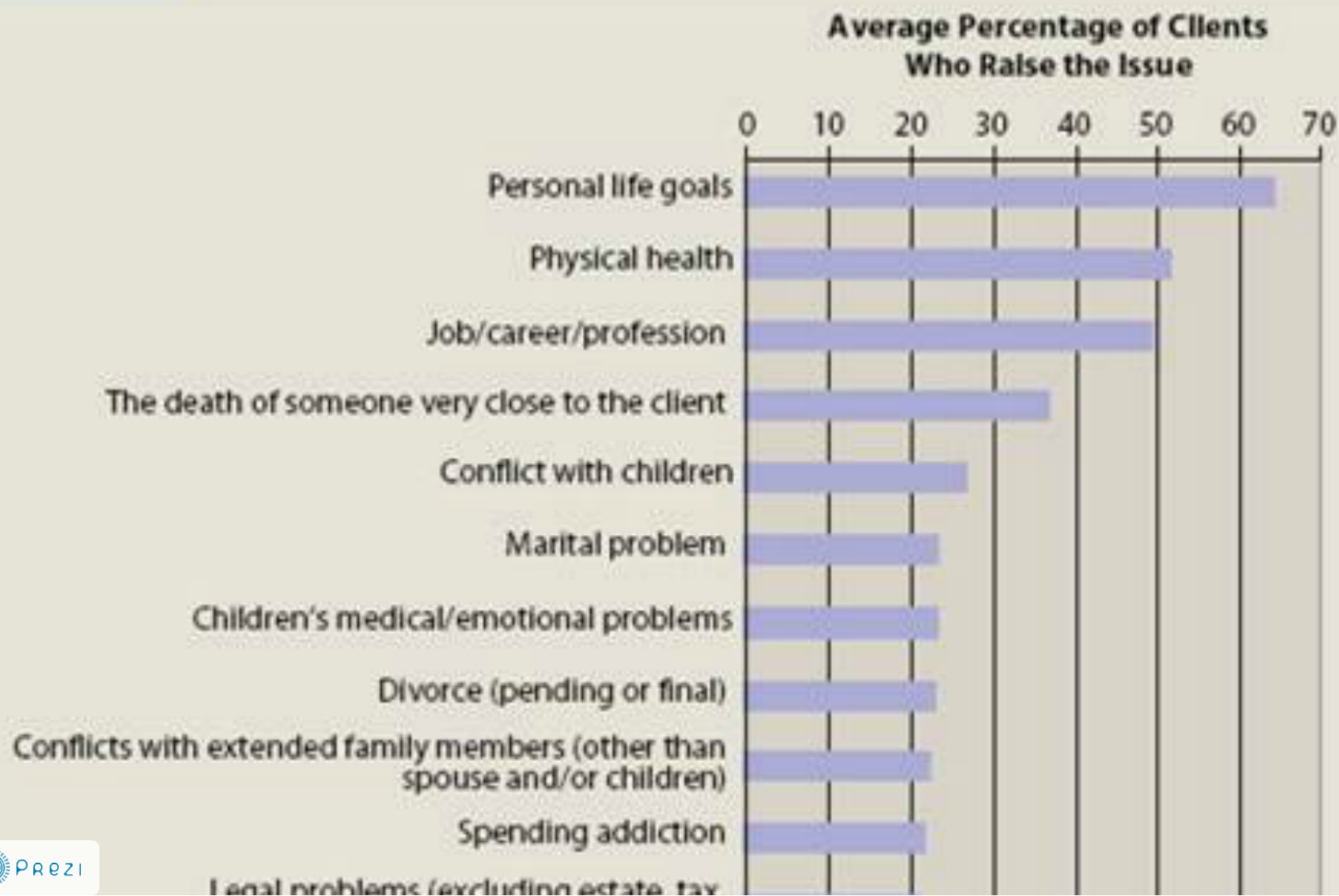


Table 3:**Rank Order of Coaching/Counseling Critical Incidents Faced by Financial Planners**

	Incident	Yes	No	Responses
1	During a planning session a client became emotionally distraught (e.g., started crying, trembling, sobbing, or became violent).	973 (74.4%)	334	1,307
2	You were told a secret by your client (other than relevant financial facts), who said that you are the only person who knows this.	732 (57.6%)	539	1,271
3	You offered to pray for your client.	630 (49.4%)	645	1,275
4	You served as a mediator between a husband and wife because of their marital discord.	620 (47.5%)	686	1,306
5	You served as a mediator between a client and his/her children.	574 (44.0%)	731	1,305

	(e.g., a child asked you to approach his/her parent [your client] for special consideration).			
11	You served as a mediator between a client and extended family member(s) (other than spouse and/or children).	374 (28.7%)	928	1,302
12	You were asked by an organization to lobby your client to include that organization as a beneficiary in a will.	335 (26.4%)	932	1,267
13	Either you or a client requested that a planning session be rescheduled because the client's emotional distress prevented continuation of that session.	334 (25.6%)	972	1,306
14	You tried bringing a client closer to God (or to his/her spiritual "core values").	273 (21.5%)	996	1,269
15	Your client established a trust and listed you as either the sole or co-executor of the trust.	268 (21.2%)	998	1,266
16	Your client asked you whether he/she should or should not have children.	150 (11.8%)	1,118	1,268
17	You learned that a client was thinking of suicide.	129 (10.1%)	1,143	1,272
18	You were involved in an intervention to get a client	110	1,191	1,301

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17	You learned that a client was thinking of suicide.	129 (10.1%)	1,143	1,272
18	You were involved in an intervention to get a client into therapy.	110 (8.5%)	1,191	1,301
19	You were involved in an intervention to get a client's family member into therapy.	90 (6.9%)	1,212	1,302
20	You were involved in an intervention to get a client's family member into drug treatment.	58 (4.5%)	1,243	1,301
21	You were involved in an intervention to get a client into drug treatment.	41 (3.1%)	1,261	1,302

Financial Professionals as Helpers

What to look for...

Depression

Emotions

- Sadness, guilt, anxiety, mood swings, hopelessness

Thoughts

- Self-criticism, worry, indecisiveness, pessimism, thoughts of death or suicide, self-blame

Behavior

- Crying spells, withdrawal, neglect of responsibilities, loss of interest in appearance and work

Financial Professionals as Helpers

What to look for...

Anxiety

Physical

- Chest pain, hyperventilation, dizziness, tremors, sweating, rapid heartbeat, numbness, vomiting

Psychological

- Decreased concentration, irritability, unrealistic or excessive fear and worry, anger

Behavior

- Avoidance, distress in social situations, phobic behavior

Signs a person may be suicidal

- **Threatening to hurt or kill himself or herself**
- **Talking or writing about suicide**
- **Hopelessness**
- **Rage, anger, seeking revenge**
- **Acting recklessly or engaging in risky behavior**
- **Feeling trapped, like there's no way out**

Helping as a Social-Influence Process

Poor substitutes for empathy

No Response

- It can be a mistake to say nothing. The client may think she or he has said something that doesn't merit a response

Distracting questions

- This type of response generally focuses on your agenda and ignores the client's feelings.

Cliches

- This may be interpreted as the client does not really have a problem, at least not a serious one.

Advice

- Your interpretation of the problem may distort the content of the client's story.

Tactics for communicating empathy

Listen

- Maintain eye contact
- Lean in
- Invite the client to tell you more
- Suspend opinions and judgment

Reach out

- Express concern
- Encourage client to talk to other people as well as to you.

Ask the question

- It's ok 2 ask!
- How are you managing the challenges in your life?
- Are you thinking of hurting yourself?

Watch nonverbals

- Body language speaks volumes about what we are thinking and feeling.
- We make and recognize 250,000 facial expressions.

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The Action Plan

Assess for risk of suicide or harm

Listen nonjudgmentally

Give reassurance and information

Encourage appropriate professional help

Encourage self-help and other support strategies

<http://www.mentalhealthfirstaid.org>



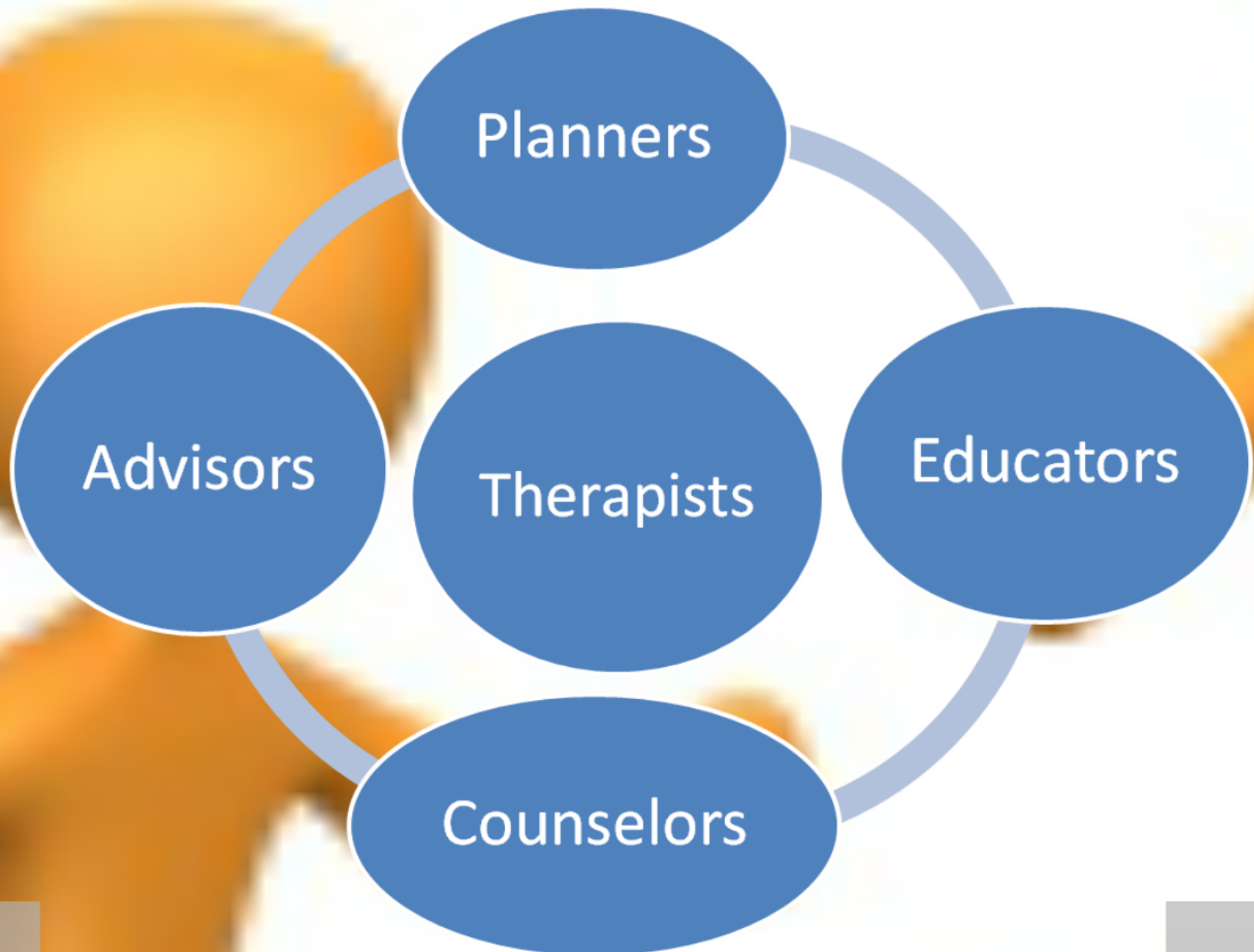
**Ask A Question,
Save A Life**

The QPR *Gatekeeper* Training for Suicide Prevention

-- a brief educational program for those who are strategically positioned to encounter and refer someone at risk of suicide
-- designed to teach "gatekeepers" the warning signs of a suicide crisis and how to respond by following three steps:

Question the individual's desire or intent regarding suicide
Persuade the person to seek and accept help
Refer the person to appropriate resources

Types of Financial Professionals



Financial Therapy

**is the integration of
cognitive, emotional,
behavioral, relational,
and economic aspects
that promote
financial health.**

Business Models

Referrals

AFC- CFP - LMFT- LMHC



Collaboration

Communication

Co-location

Coordination



Combination

AFC - CFP

and

LMHC/LMFT

Let's continue the conversation

Dr. Michael Gutter's research, teaching and outreach is focused on helping households achieve financial security. His research examines how socioeconomic status, financial education, personal psychology and financial socialization are related to financial behaviors.

As a Marriage and Family Therapist and Certified Financial Planner, Jean Theurer utilizes therapeutic interventions as well as financial management strategies to help clients understand their relationships with money and change their financial behaviors.

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