

Debt and Health: A Briefing

[Picker Institute Europe](#) has published a new briefing; [Debt and Health: A Briefing](#), focused on the relationship between debt and health. Including the health related consequences of debt, the impact it can have on individual mental health and recommendations for implication prevention.

Speaking on the briefing's over-arching insights, Giuseppe Paparella, Policy Officer at the Picker Institute said; *"As outlined in the report, the consequences of debt are devastating not only for individuals and their families, but also for society in general. According to [StepChange Debt Charity](#), total costs of debt include £960 million in mental health costs, £2.3 billion in costs due to job loss or lost productivity and £790 million in relationship breakdown costs.*

Mental health is heavily affected by problem debt; in fact, people in debt have two to three times the rate of neurosis, three times the rate of psychosis, over twice the rate of alcohol dependence and four times the rate of drug dependence as people with no debt. Research published by the [Department of Health](#) shows evidence of debt being a casual factor in poor mental health. The research reported that individuals who initially had no mental health problems, but found themselves having unmanageable debts within a 12 month period, had a 33% higher risk of developing depression and anxiety related problems, compared to the general population who did not experience financial problems.

We need to promote coordinated activity across the health, money advice and creditor sector. The lack of coordination among these sectors is a significant weakness that we need to address by involving the health and social care sector in developing content of good practice guidelines, and by including service user and carer organisations in its development.

In addition to that, a renewed emphasis on coordinated 'debt care pathways' between local health and advice services may be key. The debt care pathway should work as the route by which individuals with debt and mental health problems gain access to the support they need. For instance, integrating free debt advice services in polyclinics or local health authorities could provide people with pre-existing or potential mental health issues a timely support in preventing further complications."

Key briefing highlights include:

Social and health costs of debt

The consequences of debt are devastating for individuals and their families, as well as for the wider economy and public services. The fallout of problem debt leads to social and economic costs of £8.3 billion, and due to the combined impact of lost jobs, reduced productivity, costs of people losing their homes, people becoming more reliant on support services.

Additionally, debt related stress, depression and anxiety make it harder for people to focus on finding a new or better paying job, increasing the burden that debt creates for the entire society. According to [StepChange Debt Charity](#), total costs of debt include £960 million in mental health costs, £2.3 billion in costs due to job loss or lost productivity and £790 million in relationship breakdown costs.

Debt & Mental Health

Recent research shows that people in debt are between 2.5 and four times more likely to have a mental health problem. They have also two to three times the rate of neurosis, three times the rate of psychosis, over twice the rate of alcohol dependence and four times the rate of drug dependence as people with no debt. Research published by the [Department of Health](#) shows more evidence of debt being a casual factor in poor mental health. The research reported that individuals who initially had no mental health problems, but found themselves having unmanageable debts within a 12 month period, had a 33% higher risk of developing depression and anxiety related problems, compared to the general population who did not experience financial problems.

Suicide

According to survey results collected in 2007, 4.3% of adults in England had thought about taking their own life in the past 12 months, ranging from 1.8% of men aged older than 55 years to 7.0% of women aged 35–54 years. Those in debt were twice as likely to think about suicide after controlling for sociodemographic, economic, social and lifestyle factors. Difficulties in making hire purchase or mail order repayments and paying off credit card debt, in addition to housing-related debt (rent and mortgage arrears), were strongly associated with suicidal thoughts.

More investigation is needed into the mechanisms of this relationship. In fact, where unmeasured, or not controlled for, these variables may also impact on measures of a person's mental health or psychological wellbeing.

What needs to be done

A lack of coordinated activity across the health, money advice and creditor sector is a significant weakness. Work is needed to involve the health and social care sector in developing content of such good practice guidelines, and to include service user and carer organisations in its development. A renewed emphasis on coordinated 'debt care pathways' between local health and advice services may be key. The debt care pathway should work as the route by which individuals with debt and mental health problems gain access to the support they need. For instance, integrating free debt advice services in polyclinics or local health authorities could provide people with pre-existing or potential mental health issues a timely support in preventing further complications.

Further research is needed to establish the effects of different types of debt and to further understand what makes some debt particularly problematic. Although there has been a fair amount of research in the area of debt and mental health, there is little consistency in the conceptualisation, measurement and differentiation between various types of debt, which makes it impossible to make strong claims about the impact of each. More investigation is needed into the mechanisms of this relationship. In fact, where unmeasured, or not controlled for, these variables may also impact on measures of a person's mental health or psychological wellbeing.

NOTES TO EDITORS:

- The full report is available to download as a PDF on the Picker Institute website; <http://www.pickereurope.org/wp-content/uploads/2015/12/Debt-and-Health-A-briefing.pdf>
- For all **Picker Institute Europe** media enquiries, speaker opportunities and recent news please contact: Lanisha Butterfield on Lanisha.butterfield@pickereurope.ac.uk or 01865 208166 / Out of hours: 07825952160