Feasibility of Financial Education/Coaching for Adults with Severe Mental Illness

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Introduction

This pilot study tested the feasibility and efficacy of the critical content and delivery mode for financial education/coaching among adults with severe mental illness (SMI). We hypothesized that adults with SMI whom receive financial education, financial coaching, or financial education followed by financial coaching would increase their overall financial capability and improve their economic stability and mental health.

Literature Review

Poor mental health has been shown to correlate with poverty and lack of financial empowerment (Lazar, Black, McMahon, O'Shea, & Rosen, 2014). Among the 10.4 million adult Americans who suffer from SMI, one out of every three live in a state of poverty (Harper et. al. 2018). In addition, one out of every five adults with mental illness report their needs are not being met (Nguyen 2017). However, financial resources for adults with SMI are virtually non-existent.

Methods

Financial resources and curriculum (Table 1) for adults with SMI were developed by MSU Extension financial educators (BL and Erica Tobe) and MSU College of Human Medicine mental health researcher (CAJ). Two focus groups consisting of 1) adults with mental health issues and 2) family members and mental health professionals reviewed the proposed curriculum. The modified curriculum and lesson plans were then peer-reviewed by extension peer educators and modified as necessary.

Financial education/coaching consisted of 12 weekly one-hour educational sessions held at an adult day drop-in program accredited as a Clubhouse International provider. Due to differences in literacy and cognitive abilities, participants were assigned to high and low literacy educational groups. Personalized and one-on-one weekly financial coaching sessions were provided by a trained financial coach (BL). The financial educator/coach (BL) was an MSU Extension agent trained as a financial educator and Mental Health First Aid. Data was collected at baseline and 3 month follow-up to determine program effectiveness. Financial capability questions on a Likert scale were analyzed by paired t-test. McNemar's test was used for 2- (yes, no) and 3-level responses (not at all confident, somewhat confident and very confident).

Table 1. Financial curriculum for adults with serious mental illness

Educational Modules	**Objectives**
What's Your Future	Discuss the steps in the decision-making process. What your future looks like.
Decisions about Money	Recognize positive skills and communication when dealing with bill paying and money management. Introduce the concept of goals.
Organizing Personal Papers	Determine ways to cut clutter, be organized with important personal records, and track expenses.
Planning to Save	Explain ways to save, especially for personal needs and emergencies.
Saving for the Future	Talk about asset limits if they receive public assistance benefits. Explain special savings accounts for persons with disabilities.
Making a Spending Plan	Write down all income and expenses for one month. Identify occasional expenses to include in spending plan.

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Managing a Spending Plan	Write down all income and expenses for one month. Identify occasional expenses to include in spending plan.
Protecting Your Money	Identify ways to avoid identity theft and scams. Identify financial abuse and exploitation targeting adults with special needs.
Income and Taxes	Identify deductions in a paycheck. Explain ways to receive income and benefits.
Paying Bills	Decide about having and what type of account(s) to pay bills and avoid fees. How to write a check and balance a checkbook.
Understanding Credit	Obtain a free copy of their credit report and build their credit score. Describe at least three ways to borrow money.
Controlling Debt	Determine the amount owed to each creditor. How to communicate with creditors. Prioritizing when cash is short.

Results

Sixteen Caucasian adults (5 men, 11 women) with SMI and receiving Medicaid health insurance participated in financial education and coaching at a rural adult day program. Average age was 45.8 ± 14.3 years (ranging from 20 to 68). The majority of participants were single (n=9) or divorced (n=4) and lived alone (n=12). None of the participants were homeless. Grade school education was reported by 25% of the participants (n=4). Nine (56%) and 3 (19%) participants reported high school education/GED or some college, respectively.

Overall, the participants rated their health as excellent (25%;n=4), very good (n=0), good (31%;n=5), fair (31%;n=5), and poor (12.5%;n=2). Self-reported mental health conditions included anxiety (n=10), depression (n=10), bipolar disorder (n=2), schizophrenia (n=3), and ADHD (n=5). Self-reported medical conditions included diabetes (n=5), high cholesterol (n=6), and obesity (n=9).

All reported household incomes below $47,750 and 87.5% (n=12) reported incomes below %17,900. All received social security income (SSI) (approximately $730-800/month) and some supplemented this income with part-time or temporary work (n=7). Money transactions reported by participants were bank/credit unions (n=14), money orders (n=5), prepaid cards (n=2), and check cashing at local stores (n=1). None reported using payday loans. Half of the participants managed their own finances independently and the others had a payee.

At baseline, participants reported their current financial behavior. The majority of participants reported having a personal budget, spending plan, or financial plan (69%, n=11) and being very confident in achieving a financial goal (56%, n=9). However, lower confidence was reported if they she/he an unexpected expense or someone in their family lost a job, got sick or had another emergency that she/he or their family could come up with money to make ends meet within a month [44% (n=7) not at all confident, 25% (n=4) somewhat confident, and 31% (n=5) very confident]. The majority (56%) were either not considering (n=3) or considering (n=6) writing financial goals. The other participants reported writing financial goals sometimes (n=4) or all of the time (n=3). As far as keeping track of spending and income, 13% (n=2), 31% (n=5), 19% (n=3), 19% (n=3), and 19% (n=3) of participants responded not considering, considering, sometimes, most of the time, all of the time, respectively. The majority of respondents (63%, n=10) were considering saving money regularly. Few reported saving money sometimes (13%, n=2), most of the time (6%, n=1), or all of the time (13%, n=2).

After the financial education and coaching (3-month follow-up), participants reported a significant change with respect to selected financial behaviors. Six participants reported developing a personal budget, spending plan, or financial plan since baseline (McNemar's test, $p=0.01$). Both tracking of spending and income, and saving money regularly increased (paired t-test, $p \leq 0.05$). Although the other financial behaviors improved, none approached statistical significance ($p>0.10$).

Discussion

Overall, the pilot study found that financial education and coaching is feasible among adults with SMI. The participants were able to learn financial education concepts and apply their learning and knowledge to their personal financial needs. In addition, those who completed financial coaching were able to discuss tangible ways of applying financial concepts to their life and improve financial decision-making. Many participants were unaccustomed to thinking about their finances more than one month at a time. Planning and saving for emergency needs were new concepts and challenging for the participants due to their low income.

For adults with SMI, financial educational recommendations include 1) Face-to-face delivery; and 2) Educator must understand income and financial situations of Medicaid participants when planning and delivering lessons. Hands-on activities were valued because they demonstrated how to track expenditures, calculate a spending plan, organize important personal papers, and set weekly/monthly goals. Training for financial educators for this population should include Mental Health First Aid and other financial capacity training from CFPB and FDIC; 3) Instructors/coaches need to be flexible to adapt or modify financial lessons to be relevant for the participants plus work with varying literacy levels; and 4) Support from peer support specialists was beneficial to recruit and assist participants, particularly the low literacy group, during the lessons. Overall, financial education and coaching was well-received and valued among adults with SMI.

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