

Financial Health Vs Mental Health Among Business Entrepreneurs. Which one should be the priority? What can we do to care for them?

The relationship between financial and mental health.

An exploration into the relationship between the two, and tips on how we can look after ourselves better.

Researcher: Lim Yan Ting

LinkedIn: <https://www.linkedin.com/in/yan-ting-lim/>

Instagram: https://www.instagram.com/yanting_1224/

Introduction

Our world is evolving and changing at an alarming rate. Today's society is vastly different from that of a decade ago. People and social problems have a greater influence on today's problems than anything else. The spike of an unexpected covid-19 pandemic has also amplified the mental health and financial health concerns among business entrepreneurs.

Probably all the while now, the mental space of business entrepreneurs are always piled up with questions that'll stress them out. **“How is my business going to operate with constant losses”**. **“How am I going to pay off my debt”**.

Therefore, it's worth exploring how down the road, various questions related to financial life could affect the entrepreneurship journey and personal life of an individual.

This article explores the correlation between mental health and financial wellbeing as well as ideas and solutions that can result in overall better wellbeing.

Main Body

Here's why money and our mental health go hand in hand

Studies have shown a correlation between mental health problems and financial issues. According to the Money and Mental Health Policy Institute (2019), 46% of those who are in debt have a mental health diagnosis. 86% of persons who have mental health issues and are in debt believe that their debt is making their mental health problems worse. It demonstrates that those in debt are more likely to suffer from mental health disorders and that poor financial management will exacerbate their health problems.

Furthermore, the research indicated that almost one-fifth of people with mental illnesses (18%) are in debt. People with mental health issues are three and a half times more likely to be in debt than people who do not have mental health issues. Moreover, 72 per cent of respondents reported that their mental health issues had made their financial condition worse off.

The cycle of money and mental health problems



Source: Money and Mental Health Policy Institute. 2019.

The mental health challenges faced by people who are in the problem of debt in reality

Like any source of overwhelming stress, financial problems can take a huge toll on our mental and physical health, relationships, and overall quality of life.

According to HelpGuideOrg (2021), financial stress can potentially lead to:

- Insomnia or other forms of sleep deprivation. Worrying about overdue debts or a loss of income will keep you awake at night more than anything else.
- Gaining weight (or loss). Stress can affect your appetite, leading to overeating or skipping meals to save money.
- Depression. Living in a financial quagmire may make anyone feel sad, despondent, and unable to concentrate or make decisions. People who are in debt are more than twice as likely to suffer from depression, according to a study conducted at the University of Nottingham in the United Kingdom.
- Anxiety. Money may provide a sense of security. However, we may feel insecure and anxious without it. Therefore, worrying about overdue debts or a loss of income can cause anxiety symptoms including sweating, shaking, pounding heartbeat or even panic attacks.
- Relationship difficulties. Money is always recognised as the most common source of conflict between spouses. Financial stress, if left uncontrolled, may make you irritable and furious, cause a loss of interest in sex, and erode the foundations of even the strongest relationships.
- Withdrawal from social situations. Financial troubles can lead you to withdraw from friends, limit your social life, and retreat into your shell, all of which will exacerbate your stress
- Physical illness includes headaches, gastrointestinal issues, diabetes, high blood pressure, and heart disease. As healthcare is not 100% provided for

free in every nation, financial concerns may induce society to postpone or avoid seeing a doctor due to the fear of incurring further costs.

- Indulge in unhealthy coping mechanisms, such as drinking too much, misusing prescription or illegal drugs, gambling, or overeating. Money difficulties might even lead to self-harm or suicidal thoughts.

Prevention is better than cure

As a business entrepreneur, to break the poor cycle of money and mental health problems that surrounds us in our daily life, here are some of the ways that you can better cope with financial stress while minimizing the mental health struggles in the long run (Forbes, 2021) :-

- a. **Be Present.** Nowadays, stress manifests itself in far too many ways. The only way to avoid stress, especially financial stress, is to incorporate the power of now and be in the moment.
- b. **Collaboration.** Having a few reliable outside financial experts provide significant insight into the potential stresses ahead, as well as road maps to avoid specific ones. When wise advisors are free to speak hard truths and their counsel is followed, it can probably be the pillars of excellence towards your business.
- c. **Accept and Manage the stress.** Do not suppress your emotions while learning to manage it, either by talking to someone, finding your vulnerability partner and simply accepting you are just a human. Your cognitive ability to find solutions improves as your stress level decreases.
- d. **Take it one step at a time** when it comes to making financial decisions. People's willpower can easily be sapped when they are faced with several, back-to-back decisions that put their willpower to the test. Instead of making too many decisions at once and being overwhelmed, spread out your financial decisions.

Conclusion

In summary, studies cited above have supported the notion that poor financial management can have adverse effects on one's mental wellbeing and vice versa, poor mental health can lead to one slacking on their financial management. Therefore, either taking care of our financial health or mental health, it's important to look after both equally. Mental health awareness should be done as vigorously as financial health awareness does.

Reference List

HelpGuide.org. 2021. *Coping with Financial Stress*. [online] Available at: <<https://www.helpguide.org/articles/stress/coping-with-financial-stress.htm>> [Accessed 27 November 2021].

Apa.org. 2021. *Dealing with financial stress*. [online] Available at: <<https://www.apa.org/topics/stress/holiday-money>> [Accessed 27 November 2021].

Moneyandmentalhealth.org. 2021. *The Facts: Money and Mental Health*. [online] Available at: <<https://www.moneyandmentalhealth.org/wp-content/uploads/2019/03/debt-mental-health-facts-2019.pdf>> [Accessed 27 November 2021].

Gopal, P. and Malek, N., 2015. Breaking away from the cycle of poverty: The case of Malaysian poor. *The Social Science Journal*, 52(1), pp.34-39.

Chonghui, L., 2021. *Structured syllabus for financial literacy a must in schools, says credit bureau*. [online] The Star. Available at: <<https://www.thestar.com.my/news/education/2020/11/08/structured-syllabus-for-financial-literacy-a-must-in-schools-says-credit-bureau>> [Accessed 27 November 2021].

Forbes. 2021. *Council Post: 15 Effective Ways Entrepreneurs Can Better Cope With Financial Stress*. [online] Available at: <<https://www.forbes.com/sites/forbesbusinesscouncil/2021/10/27/15-effective-ways-entrepreneurs-can-better-cope-with-financial-stress/?sh=36cf00494ac8>> [Accessed 10 December 2021].