

Episode #18 of Intentional Wealth: Navigating the Intersection of Mental and Financial Health with Amy Braun-Bostich
A Podcast from Braun-Bostich & Associates

Welcome to Intentional Wealth, a monthly podcast where, alongside notable financial professional guests, Private Wealth Advisor and Founder of Braun-Bostich & Associates, Amy Braun-Bostich, delivers useful insights and strategies that help YOU live your best financial life! Remember, when your money has meaning, and your goals are purpose driven you can truly live with intention.

Now here's the host of Intentional Wealth, Amy Braun-Bostich.

Amy Braun-Bostich: Hello and welcome to this episode of Intentional Wealth. With May being Mental Health Awareness Month, we thought it would be important to dive into the correlation between mental and financial health. If you or someone you know are struggling with their mental health, you may find financial health suffering as well. In fact, it's been studied that individuals with depression and anxiety were three times more likely to be in debt. In recognition of Mental Health Awareness Month, let's understand how health and wealth can often go hand in hand and why it's important to recognize our mental health all year long. Approximately 22.8% of US adults are impacted by mental illness. Mental illness encompasses a wide range of disorders that can affect your thinking, mood or behavior in an era where high costs of essential goods are tightening budgets.

A survey from MarketWatch found out that nearly half of Americans said 2024 was their most stressful years of their lives financially, that's saying a lot if you've lived through 2008 and 2009. I found those years particularly stressful. So, they discovered that 88% of people surveyed feel some level of stress and 65% say their finances are their best source of that stress. 58% admitted to hiding financial stress from their loved ones, and 44% say that they will ignore financial problems until it becomes a crisis, which is a really good way of making it become a crisis. As I mentioned, 47% said that 2024 has been the most stressful year of their life financially, often citing the source causing the stress being high cost of essential goods like food. The U.S.

Department of Agriculture reports that food at home prices rose more than 11% in 2022, and some categories are also rising in costs. 94% say they sacrifice their mental health to get by financially, with 92% saying financial stress has caused adverse effects. Money is the second most common source of stress among adults. 94% of those polled said they sacrificed their mental health in some way to get by financially, 47% said they will ignore their hobbies interests, and 42% will develop unhealthy eating habits and 41% will not attend social events. Also, MarketWatch Guide survey reported that negative physical effects due to financial stress, with 56% reporting losing sleep, 45% reported headaches, 38% say they fluctuate in weight. And if your mental health is suffering, you'll notice your energy levels are decreasing and fatigue and lack of focus can also be common symptoms.

When you're not feeling your best, making sound, rational decisions can be challenging. Your judgment may be clouded by how you're feeling, meaning it's tough to think about your future, especially your financial future. Therefore, it makes sense that dealing with

bills, debt, budgeting is stressful. It is under normal circumstances. If you're already feeling unwell, avoiding your additional stress is undesirable. The problem is, avoiding your financial obligations won't make them go away, and it may make them worse. Another survey from MarketWatch says two in three say personal finances are the biggest source of stress, 88% of the survey takers reporting feeling financial stress and 65% stating that their finances are the most stressful aspects of their life. Financial stress is common among all generations, but younger Americans polled said they feel the strain more than most.

Millennials born between 1981 and 1996 have weathered financial downturns and trail older generations and wealth indications such as stock holdings, property ownership. They also have debt, fewer assets to fall back on, lower wages than other older professionals, and high costs for housing and urban centers. Younger Americans are subject to acute financial pressure. Those who took the MarketWatch poll cited they had lack of savings and insufficient income, 47% and 46% respectively. About 39% said the performance of the economy caused them stress. The unfortunate effect of Americans burnout is that many will avoid or neglect dealing with money problems altogether. And as we mentioned earlier, sometimes that leads to unhealthy habits and undesirable spending. So financial stress can push people into short sighted decisions such as overspending and avoiding dealing with your spending, creating a dangerous cycle that will increase money problems.

Sometimes people gamble when they're having financial stress. Going hand in hand with this loss of control over your finances is the urge to spend. And of course, spending itself produces dopamine, which makes people feel good in the short run but terrible in the long run when you realize that you've just complicated your financial situation. And impulse buying can really wreak havoc on your budget and increase debt. Another survey from MarketWatch found that 57% admitted that they procrastinate on important decisions and 30% said they borrow money without a plan to repay it. Fortunately, there are ways to ease financial stress and move forward positively to improve your financial situation. Consider developing your financial literacy and learning fundamentals such as budgeting and investing.

If you're finding that the price of essential goods is getting harder to keep up with, consider saving your money in a high yield account. Well, of course, if you can't even buy essential foods, goods and other things, it's going to be hard to even save your money. But if you do find that you have additional money, higher yield savings accounts can help. A good habit to follow Normally is a 50, 30, 20 rule, and according to California Department of Financial protection and innovation, 50% of your monthly income should go to basic needs, 30% to discretionary spending, and then the remaining 20% to savings. But that also indicates that you can live off of 50% of your monthly income, and most people can't do that. So what can people do that would help?

And I think keeping it quiet, in other words, not reaching out and confiding in a financial advisor or partner actually makes it worse. Working with your partner, working with your advisor to keep your spending and savings on track can help encourage healthy financial habits and give you some accountability. I find that accountability is one of the most important things in achieving goals, no matter what it is. And if it is totally out of hand, then I think it makes sense to speak to a therapist. Because sometimes when impulse buying and

spending are really out of hand, there are some problems that need to be resolved before you can resolve that behavior. Mostly, we're kind of socialized to give a fine response when someone asks how we're doing. I know I do it all the time.

So we lose sight of the signals that show us how our brain is processing information. It's important to recognize that financial strain should not be viewed as something that workers need to learn to cope with. Businesses and the government leaders should also be finding ways to increase compensation, help workers manage financial demands, and work with social and organizational policy decisions. However, we also need to gain more knowledge of financial literacy because it's generally lower than desirable for many Americans. Some schools do teach financial literacy to a certain extent in high school, but for most people growing up, they really aren't educated in those issues. It's important for workers to learn to effectively manage their finances before they start experiencing financial strain. People need to avoid coping behaviors that might further increase that financial strain, and that's really where therapy might come in.

It's really okay to not be okay. And if you know anyone currently dealing with any financial stresses, [please reach out](#) and see how we may be of help. You can find us on our website at [Braun-Bostich.com](https://braun-bostich.com), [Facebook](#), [LinkedIn](#), and also [YouTube](#). Thanks for joining us today.