

Through the lens: *Ethnicity, money and mental health*

Summary

- Those of us with mental health problems are likely to fare worse across a range of financial indicators than those without such conditions. But with one in four of us experiencing a mental health problem at any given time, there are also important inequalities in outcomes among people with mental health problems, including when we look through the lens of ethnicity.
- While experiences with money and mental health are not pre-determined by someone's ethnicity, this paper provides some key examples of the specific challenges people from minoritised ethnic groups can encounter, and how these can compound the toxic relationship between our mental and financial health.
- Minoritised ethnic groups are disproportionately affected by both economic and social determinants of poor mental health including low income, and experiences of discrimination, racism, and social exclusion.
- This combination of having a mental health problem and being from a minoritised ethnic group can in turn present compounding barriers to good financial health.
- People with mental health problems from minoritised ethnic groups face systemic barriers to entering into, progressing and staying in work; and are less likely to be financially resilient as a result. Analysis of national datasets show that 43% of people from a minoritised ethnic group who have a mental health problem have good savings, compared to 53% of White British people with such conditions. Among those with mental health problems, people from minoritised ethnic groups are more likely to be in a household that's behind on bills - this ranges from 9% of White people to 36% of people who identify as Black, Black British, Caribbean or African.
- Given these significant challenges to good mental and financial health that people from minoritised ethnic groups can face, it is particularly concerning that this group often experience barriers to accessing, and worse outcomes when receiving, support with their mental and financial health. Different actors have a role to play in resolving this.

- Mental health services should address the health and financial inequalities experienced by people from minoritised ethnic groups by increasing access to mental health employment services, and introducing standard routine inquiries into financial difficulties that consider how experiences might differ according to ethnicity.
- Employers should implement mental health strategies that aim to remove the barriers people with mental health problems from minoritised ethnic groups can face to finding and thriving in work.
- Debt advice and essential services firms should work to better understand and resolve the barriers to good outcomes that those with mental health problems from minoritised ethnic groups face when accessing and using their services.
- Finally, to better understand how the relationship between money and mental health can vary according to a broad range of ethnicities, organisations producing national statistics, including NHS England and NHS Improvement, should take action to enhance the quality of ethnicity data in national datasets, and mental health service reporting.

Introduction

A toxic cycle exists between poor mental and financial health. For those of us with mental health problems, challenges earning, managing and spending money can all increase the likelihood that we struggle financially. In turn, the stress and anxiety of failing to keep up with bills and cutting back on essentials like food and heating can take a toll on our mental health.

How we experience this toxic cycle can be impacted by a number of different factors. We've previously considered the role of where we live,¹ our gender² and our age³ on our mental and financial health. This final paper in our "Through the lens" series considers how our ethnicity can affect our experience of this cycle. It's important to recognise, though, that these different demographic factors rarely exist in silos - they often overlap⁴ and in some instances create multiple and compounding barriers to good mental⁵ and financial health.⁶

¹ Stacey B and D'Arcy C. No one left behind: making levelling up deliver for people with mental health problems. Money and Mental Health Policy Institute. July 2022.

² Stacey B. Through the lens: Gender, money and mental health. Money and Mental Health Policy Institute. September 2022.

³ Stacey B. Through the lens: Age, money and mental health. Money and Mental Health Policy Institute. December 2022.

⁴ Due to limited bases when accounting for mental health and ethnicity, we haven't been able to explore the impact of overlapping demographic factors in our quantitative research to the extent that we would have liked.

⁵ Bignall T, Jeraj S, Helsby E and Butt J. Racial disparities in mental health: Literature and evidence review. Race Equality Foundation. March 2020.

⁶ Davies S and Collings D. The Inequality of Poverty: exploring the link between the poverty premium and protected characteristics. Fair by Design. February 2021.

Our ethnicity reflects a broad range of factors including shared culture, language, history, religion and traditions. While they are different concepts, and we focus on ethnicity in this paper, there are links between ethnicity and race. Both are included in definitions of racism⁷ and both are categories that are socially constructed rather than reflecting a 'natural' underlying reality.⁸ Similarly, many of the barriers to good mental and financial health we highlight below are structural and are borne out of underlying and persisting processes of systemic racism.⁹ Within the UK, the closely-linked concept of 'White privilege' captures the built-in advantage that White people experience. People of colour from minoritised ethnic groups will therefore experience the barriers around money and mental health differently to those from White minoritised ethnic groups.

The language we use when talking about ethnicity is really important. While there is no 'one size fits all' approach, our preferred overarching term when talking about those whose ethnicity is not White British is minoritised ethnic groups.¹⁰ This is for two reasons. Firstly, it recognises that these groups don't just exist as a minority within the UK but continue to experience active processes of minoritisation as a result of unequal structures of power.¹¹¹² And secondly, by placing 'ethnic' after 'minoritised', it helps to emphasise that we all have an ethnicity and that 'ethnic' should not be conflated with not White British.

We aim to be as specific as possible when talking about particular ethnic groups, but limitations concerning the representation of people from minoritised ethnic groups in national datasets mean we haven't been able to achieve this level of specificity in some of our analysis. In those instances, we've used broader categories that aggregate ethnic groups together. We've aimed to be more specific when discussing experiences highlighted in our qualitative research, which has included a survey with 262 members of our Research Community - who are a group of nearly 5,000 people with lived experience of mental health problems, and research interviews with eight members of our Research Community from minoritised ethnic groups.¹³ For accuracy, we've also maintained the original terminology used when referring to other people's research.

⁷ <https://www.mind.org.uk/information-support/tips-for-everyday-living/racism-and-mental-health/>

⁸ Nazroo J, Bhui K, Rhodes J. Where next for understanding race/ethnic inequalities in severe mental illness? Structural, interpersonal and institutional racism. *Sociology of Health & Illness*. 2020; 42(2):262-276.

⁹ Nazroo J. Tackling racism: moving beyond rhetoric to turn theory into practice. *British Medical Journal*. 2022; 378;1597.

¹⁰ We appreciate that the term minority ethnic group is more widely used, and do not believe this term to be problematic, but for reasons outlined above our preferred term is minoritised ethnic group.

¹¹ Milner A and Jumbe S. Using the right words to address racial disparities in COVID-19. *The Lancet Public Health* 2020; 5(8).

¹² Gunaratnam Y. *Researching 'Race' and Ethnicity: Methods, Knowledge, Power*. Sage. August 2003.

¹³ It's also important to note the limitations with our qualitative research, however. The representation of people from some minoritised ethnic groups was small, and some ethnicities - including Roma and Bengali - were not represented at all.

Everyone's experience of mental and financial health is individual, and this research does not aim to be representative of the experiences of all people from certain ethnic groups, nor suggest that being from a particular ethnicity pre-determines someone's experience of the cycle between the two. Acknowledging that, we explore how being from a minoritised ethnic group can interact with our experiences of money and mental health and consider specific challenges that emerged in the research.¹⁴¹⁵

How being from a minoritised ethnic group can present compounding challenges to good mental health

The challenges that people from minoritised ethnic groups can face, can increase our risk of poor mental health.¹⁶ But drawing conclusions about variation between and within groups can be challenging due to data limitations.¹⁷

We know that people from minoritised ethnic groups are disproportionately affected by socio-economic determinants of poor mental health,¹⁸ and that direct and indirect experiences of racism can take a cumulative and enduring toll on someone's mental health over the course of their life. Members of our Research Community also talked about how their ethnic identity has led to feelings of isolation or exclusion, which has profound impacts on their mental health.¹⁹

“Our position in society as a group means we experience high levels of stressors that professionals often can't understand, e.g. poor housing, racism, debt, low wages, disabilities.” Expert by experience of White and Black Caribbean ethnicity

“Overt and subtle racism from a young age means that you are not as strong as you could be mentally because it never goes away and is always an issue. If you then go on to have a mental health issue it makes coping with everyday life that bit harder.” Expert by experience of Caribbean ethnicity

¹⁴ It's worth noting that some people said their ethnicity didn't impact on their experiences of mental and financial health at all. For the purpose of this paper, however, we will focus on those who said it did.

¹⁵ This research does not provide an exhaustive overview of all experiences relating to ethnicity, mental and financial health. For example, experiences of migration and housing are not fully explored in this paper.

¹⁶ Data shows that some groups, particularly Black and Black British women, are at a greater risk of common mental disorders [<https://www.ethnicity-facts-figures.service.gov.uk/health/mental-health/adults-experiencing-common-mental-disorders/latest>]. Prevalence of psychotic disorder is higher in Black men [https://files.digital.nhs.uk/pdf/q/3/mental_health_and_wellbeing_in_england_full_report.pdf]. And rates of suicide are highest in the White and Mixed/Multiple ethnic groups [<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthinequalities/bulletins/sociodemographicinequalitiesinsuicidesinenglandandwales/2011to2021>].

¹⁷ Datasets on mental health and ethnicity are disparate and lack methodological consistency, which makes drawing comparisons and broad conclusions difficult. Ethnic groups are also often aggregated in a way that limits more granular insights.

¹⁸ Centre for Mental Health. Commission for mental health equality briefing 1: Determinants of mental health. January 2020.

¹⁹ Wallace S, Nazroo J, and Becares L. Cumulative Effect of Racial Discrimination on the Mental Health of Ethnic Minorities in the United Kingdom. *American Journal of Public Health* 2016; 106(7):1294–300.

"I'm constantly being othered or ignored and living with that is exhausting. In group settings I frequently am invisible. And that's been witnessed by several other people. People just don't see me. [...] I don't belong anywhere. That's enough to set off the suicidal ideation again." Expert by experience of White and Indo-Caribbean ethnicity

How having a mental health problem and being from a minoritised ethnic group can affect our financial health

We turn next to ethnicity's connections with money and mental health. We know that having a mental health problem²⁰ and being from certain minoritised ethnic groups²¹ can each increase the likelihood that we will be struggling financially. What our research suggests is that for some of us, the combination of the two can further compound our experiences of poor financial health.

Income

A good income is key to financial resilience. It provides us with the means to weather unavoidable rises in expenditure, as well as save for retirement. However, people from certain minoritised ethnic groups - especially those from Pakistani, Bangladeshi or Black ethnic groups - are less likely to be in employment,²² receive the lowest average hourly pay,²³ and unsurprisingly in light of this are most likely to receive income-related benefits.²⁴ For those of us with mental health problems, lower employment rates, wages and increased reliance on inadequate benefits mean our median annual income is £8,840 less than our counterparts without such conditions.²⁵

When it comes to how experiences of mental health and ethnicity interplay in work, as Figure 1 shows, rates of employment are lower for people with mental health problems across all ethnic groups. White people are most likely to be in employment among both those with and without such conditions. Some, especially those with mental health problems in the Mixed or Multiple ethnic group, appear to experience greater barriers to being in work. Among those without mental health problems, people in this ethnic group experience the highest employment rate of any minoritised ethnic group and are only three percentage points less likely to be in work than White people. But having a mental health problem has the biggest impact on employment rates for those of Mixed or Multiple ethnicity, with the employment gap between those with and without such conditions being largest for this ethnic group (25 percentage points).

²⁰ Holkar M. Money and mental health: The facts. Money and Mental Health Policy Institute. 2019.

²¹ Davies S and Collings D. The Inequality of Poverty: exploring the link between the poverty premium and protected characteristics. Fair by Design. February 2021.

²² <https://www.ethnicity-facts-figures.service.gov.uk/work-pay-and-benefits/employment/employment/latest>

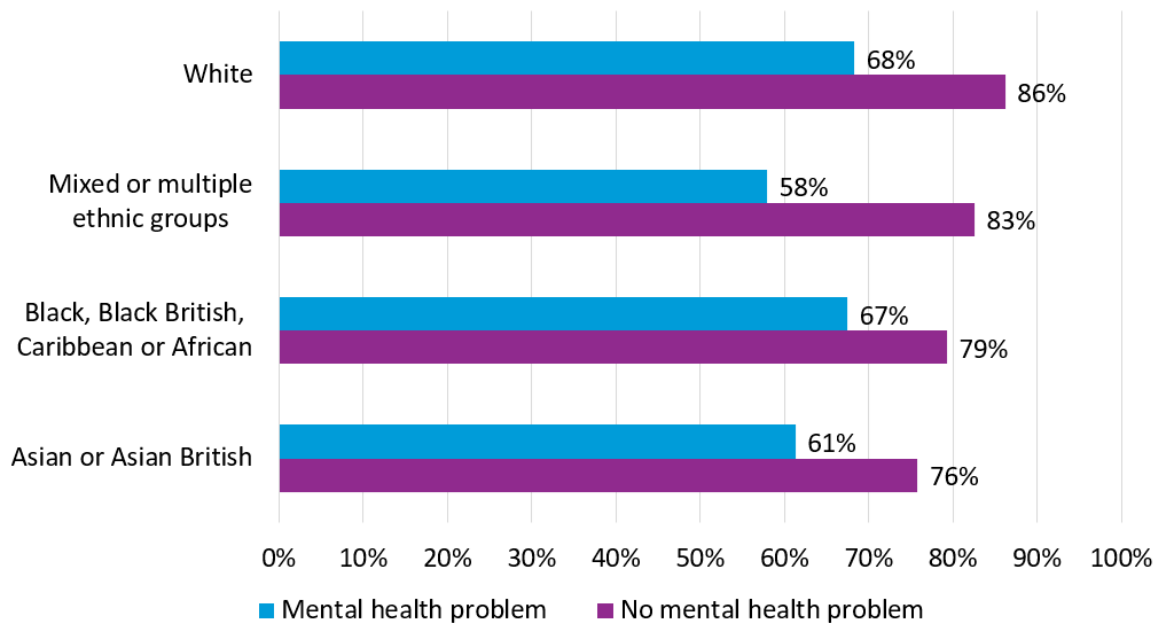
²³ <https://www.ethnicity-facts-figures.service.gov.uk/work-pay-and-benefits/pay-and-income/average-hourly-pay/latest>

²⁴ <https://www.ethnicity-facts-figures.service.gov.uk/work-pay-and-benefits/benefits/state-support/latest>

²⁵ Bond N and D'Arcy C. Mind the Income Gap: How work and social security shape the incomes of people with mental health problems. Money and Mental Health Policy Institute. September 2020.

Figure 1: White people are most likely to be in employment among both those with and without mental health problems

The percentage of people aged 25-54 in employment, by ethnicity and mental health



Source: Money and Mental Health analysis of Wave 12 of Understanding Society: The UK Household Longitudinal Study.

Notes: Excludes those in the 'Other ethnic group', as the bases were too small.

Research Community members from minoritised ethnic groups spoke about the systematic discrimination they experienced because of their mental health and ethnicity, which can mean they're less likely to be offered roles, promoted when in work or earn as much as their peers. This can impact on financial as well as mental health outcomes, with people speaking about how this led to them feeling less secure in their role. Research has also shown that lower incomes take a particular toll on the mental health of those who are of African Caribbean, Pakistani or Bangladeshi ethnicity.²⁶

The experience of Amanda, a member of our Research Community, helps demonstrate these often multiple and overlapping factors that can make it difficult for people with mental health problems from minoritised ethnic groups to thrive in the workplace, and that can affect both financial and mental health outcomes.

²⁶ Mangalore R and Knapp M. Income-related inequalities in common mental disorders among ethnic minorities in England. *Social Psychiatry and Psychiatric Epidemiology* 47(3):351-9. February 2011.

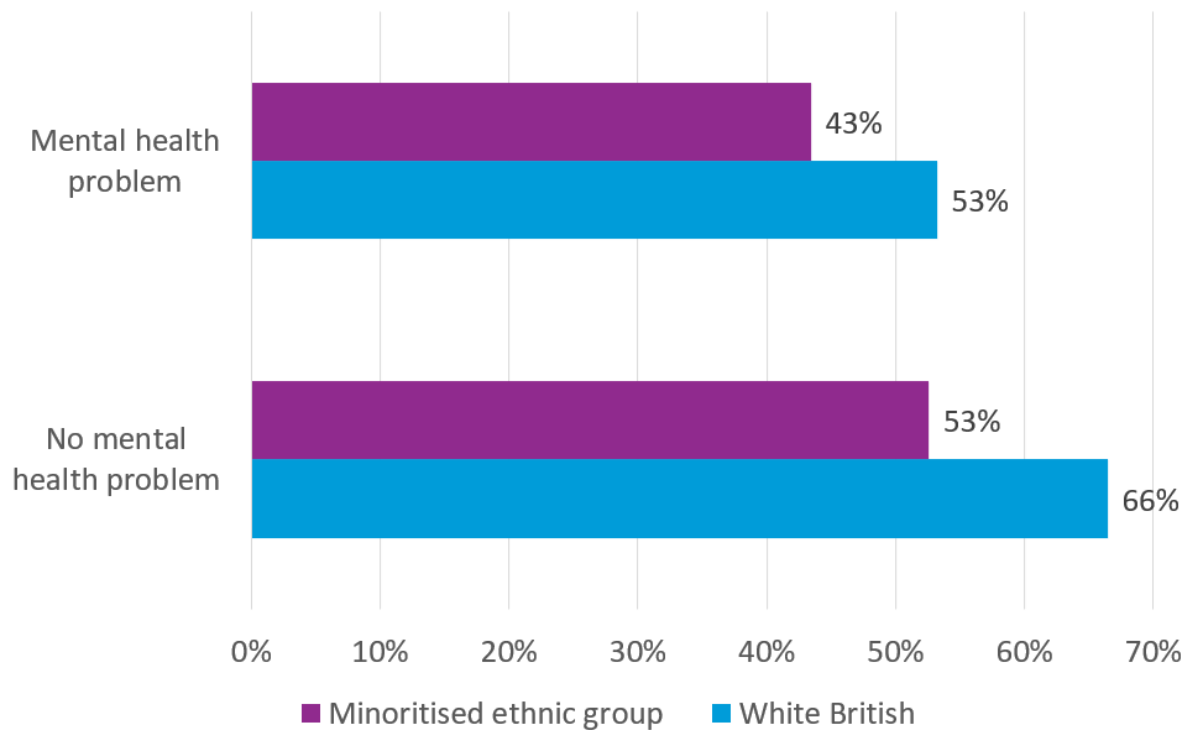
Amanda is a member of our Research Community, who identifies as White and Asian. Growing up as a second generation immigrant, Amanda often felt expectations from her family to have “a better job than [her] parents and always be building up” from the previous generation. This pressure negatively affected her wellbeing, as she feels her mental health problems are “all directly linked to achievement and school and pressures around that, and the negative self-talk that comes with the messages that [she’s] internalised growing up”. For Amanda, this negative self-talk and low self-esteem, which have developed as “partially a mental [health] thing, partially being a woman thing, partially a race thing”, have also been limiting for her career progression. As an Asian woman, she has been reluctant to challenge those senior to her at work, even where that could have been beneficial for her career, because she felt she should “keep quiet and just do the work”. Amanda has also turned down more senior, better paid job offers in the past, despite being sufficiently qualified and experienced, due to these kinds of self-limiting beliefs.

Saving and spending

Savings are an important way that we can protect ourselves against income shocks and unexpected expenditures. But given the systemic barriers to a good income that people with mental health problems from minoritised ethnic groups face, it is unsurprising that they generally have lower levels of savings. As Figure 2 shows, among those without mental health problems, 53% of people from minoritised ethnic groups have good savings compared to 66% of their White British counterparts, so there is a disparity based on ethnicity before we factor in mental health. While having a mental health problem reduces the level of good savings for both groups, because White British people without mental health problems start at an advantage, applying the ‘mental health savings penalty’ only reduces their savings to levels those from minoritised ethnic groups without such problems start at (53%). For people from minoritised ethnic groups, however, this penalty means they end up with far lower levels of savings (43%).

Figure 2: People from minoritised ethnic groups are less likely to have good savings, both among those with and without mental health problems

The percentage of people who have savings that could sustain them for three or more months if they lost their main source of household income, by ethnicity and mental health



Source: Money and Mental Health analysis of the Financial Conduct Authority's Financial Lives 2020 survey.

The relevance of systemic barriers to good savings is particularly stark, given that members of our Research Community from minoritised ethnic groups often spoke about how important stringent saving and spending is within their community. Many were encouraged to build and protect a good financial buffer from a young age.

Debt

Some Research Community members from minoritised ethnic groups also spoke about attitudes towards borrowing and lending, and in particular a preference for only doing so within their community.

“There is a stigma to taking out debt within the community, however, so I would treat getting a loan or borrowing on a credit card very much a last resort. Probably a good thing, however, in terms of financial security... I'd turn to family and have done so when buying my home, for example. My dad would not forgive me if I took a loan out before asking him... He would see that as an expense that was unnecessary. Again, that comes from the attitude around money and not coming to any expense that could be avoided.” Expert by experience of Indian ethnicity

This is echoed in Financial Conduct Authority research which shows that people from “Black, Asian and Minority Ethnic communities” are less likely to hold formal credit and more likely to have borrowed from friends and family.^{27,28} It’s also important to consider the wider structural impact of financial exclusion, which can limit the access that people from minoritised ethnic groups have to more formal forms of lending,²⁹ as well as a lack of trust in financial institutions.³⁰

Borrowing within one’s community can have both positive and negative impacts. Some value the financial security this buffer allows, and the protection from potentially challenging interest rates and inflexible repayment plans. On the other hand, some people spoke of the shame associated with disclosing financial difficulties within their community, and the social burden of being indebted to your peers. This latter point also has the potential to create conflict when it comes to repaying debts, as individuals might prioritise debts owed to members of their community whereas debt advisors might focus attention on debts to other creditors like banks or a local authority.³¹

People also spoke about mutual aid, which is where people collectively meet the needs of those in their community. Again, for many this provided a valuable source of financial security. But for some, the expectation that they will financially support their extended family and community, can place pressure on already stretched finances.

“We tend to go out of our way...for anyone [who is] family or considered family which can be detrimental to our finances.” Expert by Experience of White and Black Caribbean ethnicity

Exploring experiences of keeping up with household bills, people with mental health problems and those from minoritised ethnic groups are more likely to be in households that are behind on payments. But what Figure 3 shows is that, for some, the combination of having a mental health problem and being from a minoritised ethnic group can take a particular toll on your household finances. Whereas 9% of White people with mental health problems are in households that are behind on bills, this increases to 36% of people who identify as Black, Black British, Caribbean or African with such conditions. This demonstrates the important effect ethnicity can have on determining to what extent those with and without mental health problems are behind on their payments.

²⁷ Cross R and Burrell T. Ethnicity, personal finances and Coronavirus. Insight: opinion and analysis hosted by the Financial Conduct Authority. February 2021.

²⁸ It’s also worth noting that people with mental health problems are more likely to informally borrow. See: Braverman R, Evans K, Holkar M. Informal borrowing and mental health problems. Money and Mental Health Policy Institute. May 2018.

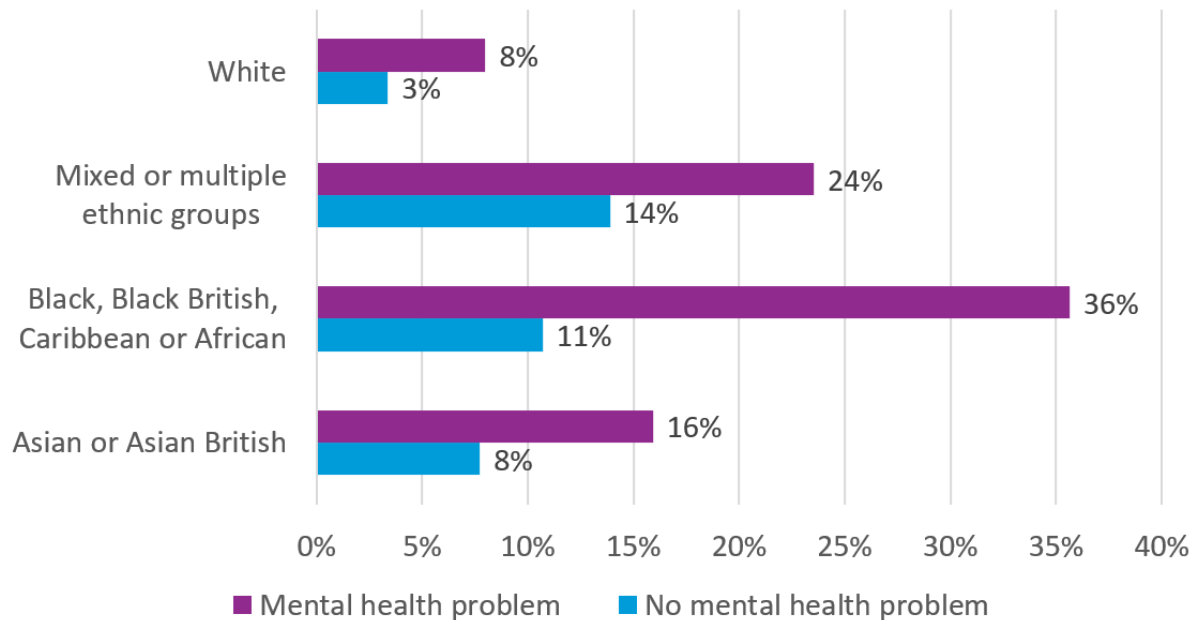
²⁹ Davies S and Collings D. The Inequality of Poverty: exploring the link between the poverty premium and protected characteristics. Fair by Design. February 2021.

³⁰ O’Regan et al. Squeezed out or opting out? Understanding ethnic differences in use of financial products and services. Social Market Foundation. February 2023.

³¹ Evans J, Richardson T, Cross K, Davies S, Phiri P, Maguire N and Jenkins R. The intersecting impacts of mental ill-health and money problems on the financial wellbeing of people from ethnic minority communities. Money and Pensions Service. January 2023.

Figure 3: People with mental health problems who are Black, Black British, Caribbean or African are most likely to be in a household that's behind on some or all household bills

The percentage of people who are in households that are behind some or all household bills, by ethnicity and mental health



Source: Money and Mental Health analysis of Wave 12 of Understanding Society: The UK Household Longitudinal Study. Notes: Households were asked if they are up to date, or behind, on any household bills such as electricity, gas, water rates, and telephone. This household-level data was then merged with individual-level data, so we could report on arrears at the individual level. The methodological challenge with this, is that if a household reports being behind on bills, and there are people from multiple ethnic groups within that household,³² the interaction between these specific ethnicities and arrears is missed. Excludes those in the 'Other ethnic group', as the bases were too small.

How being from a minoritised ethnic background impacts on people's experiences of support with money and mental health problems

Receiving support with our mental and financial health can be key to helping break the toxic cycle between the two. Yet, many people with mental health problems from minoritised ethnic groups experience barriers to accessing good-quality support with their mental health problems and finances.

³² In England, 10.4% of total households were multiple-ethnic group households [<https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/ethnicity/bulletins/ethnicgroupenglandandwales/census2021>]

Barriers to accessing services

There is a significant gap between the need for, and use of, mental health services among people from minoritised ethnic groups, especially people from Black ethnic groups.³³ Key barriers to effective support include services failing to take into account different cultural norms, and not reflecting at a staff level the communities they are there to support.³⁴

Mental health services, essential services such as banks and energy companies, and advice services that help people with money troubles can be especially inaccessible to certain groups. For example, hostile policies³⁵ towards migrants have a significant impact on their ability to access healthcare,³⁶ and services can be especially tricky to navigate if English isn't your first language.

Discrimination and poor quality of support

When people from minoritised ethnic groups do engage with mental health support, essential services or services providing money advice, they can experience discrimination and a poor quality of support. This can deepen and extend mental and financial health problems, and discourage help-seeking behaviour in the future.

People from minoritised ethnic groups tend to experience worse outcomes when accessing mental health treatment, with people from the White British ethnic group experiencing the highest rates of improvement following talking therapy treatment³⁷ for anxiety and depression, while those from the Bangladeshi, Pakistani, and Asian Other ethnic groups show the highest rates of further deterioration.³⁸

Members of our Research Community spoke about how practitioners failed to understand or address the role that ethnic identity can play in the development of mental health problems. Others felt ignored, invalidated or discriminated against on the basis of their ethnic identity. Insights shared regarding GPs were especially concerning as they act as a pivotal gateway to a wide range of support services.

³³ Mental health and wellbeing in England: Adult Psychiatric Morbidity Survey 2014. NHS Digital. 2016.

³⁴ There have been some positive steps taken to address this, however, with the Department for Health and Social Care's culturally appropriate advocacy pilot. Advocates from minoritised ethnic groups who reflected the community they sought to support were recruited for this pilot, and they delivered group advocacy services both in in-patient psychiatric settings, and also in community settings such as the Windrush millennium centre [<https://committees.parliament.uk/oralevidence/11381/html/>]

³⁵ These are policies that make it difficult for migrants living in the UK to access fundamental services, such as the NHS and housing. The result includes NHS services being tasked with checking immigration status, and ensuring that people have the right paper before receiving medical treatment [<https://www.jcwi.org.uk/the-hostile-environment-explained/>].

³⁶ Deterrence, delay and distress: the impact of charging in NHS hospitals on migrants in vulnerable circumstances. Doctors of the World. October 2020.

³⁷ <https://www.ethnicity-facts-figures.service.gov.uk/health/mental-health/outcomes-for-treatment-for-anxiety-and-depression/latest>

³⁸ <https://www.ethnicity-facts-figures.service.gov.uk/health/mental-health/outcomes-for-treatment-for-anxiety-and-depression/latest#full-page-history>

“I've never had an appointment with a mental health professional who wasn't White. I end up having to explain the nuances of why a particular incident was so bad. [...] That's another layer of difficulty and extra work. More emotional labour.” Expert by Experience of White and Indo-Caribbean ethnicity

“[My mental health problem] is ignored, it is of no significance or importance particularly to my GP. I tried speaking to the doctor regarding my mental health, she felt it more important to flick through a magazine while I spoke (obviously she wasn't listening).” Expert by Experience of Caribbean ethnicity

The racist stereotyping of Black people - such as Black women being 'strong' and therefore not requiring support,³⁹ or Black men being 'dangerous' and therefore needing to be 'managed'⁴⁰ - also influences treatment and outcomes.

“[My psychiatrist] said I didn't look like someone that needed help [...] I went away feeling unheard as a black woman.” Expert by Experience of Caribbean ethnicity

Indeed, Black African and Black Caribbean groups are nearly five times more likely than White people to be detained under the Mental Health Act,⁴¹ even after controlling for higher rates of psychosis among those groups.⁴² And this overrepresentation of Black people in secure mental health settings means these groups are at greater risk of the financial harm associated with secondary mental health services.⁴³

Respondents also reported experiences of discrimination when engaging with financial services such as banks, and discussed the modifying behaviours they undertook in light of this. This could include engaging with financial services on the phone to hide visual indicators of ethnicity, despite the additional challenges this can present for people with mental health problems.⁴⁴ Some also felt like they were not offered the full range of services, information and support as a result of this, as Tina's experience demonstrates.

³⁹ Kalathil J, Collier B, and Bhakta R. Recovery and resilience: African, African- Caribbean and South Asian women's narratives of recovering from mental distress, Mental Health Foundation. March 2011.

⁴⁰ Vige M. Race is part of the history of mental health. Mind. October 2019.

⁴¹ <https://www.ethnicity-facts-figures.service.gov.uk/health/mental-health/detentions-under-the-mental-health-act/latest>

⁴² Henderson R et al. Mistrust of mental health services: Ethnicity, hospital admission and unfair treatment. Epidemiology and Psychiatric Sciences 2015; 24(3); 258-265.

⁴³ Bond, N and Preece, G. Not a Secondary Issue: Preventing and resolving financial difficulties for people in secondary mental health care. Money and Mental Health Policy Institute. March 2022.

⁴⁴ Holkar M, Evans K, Langston K. Access essentials: Giving people with mental health problems equal access to vital services. July 2018.

Tina is a member of our Research Community, who identifies as Caribbean. When Tina was having difficulties paying her mortgage, she visited her local bank branch for advice. Yet, she “felt like no one wanted to help” because of her ethnicity. Tina felt that she was ignored and looked down on by the staff, and wasn’t given the full extent of information available. This took a toll on Tina’s mental health, and she’s since taken measures to avoid experiencing this kind of discrimination again. She now typically engages with essential services over the phone where she can hide her ethnicity, although ideally she’d prefer to engage face-to-face. She’s sometimes asked her White partner to attend in-person meetings with essential services to use them as a “buffer to diffuse any negativity” around her ethnicity. She’s also become more selective about whether she discloses her mental health problems for fear of compounding this discrimination, which further prevents her from getting the right support.

A number of Research Community members also felt that discrimination had played a role in whether people were assessed by the Department for Work and Pensions as eligible for a benefit. Considering how symptoms of mental health problems can already make navigating the benefits system more difficult,⁴⁵ we heard how being from a minoritised ethnic group can further compound these challenges.

Stigma

The stigma that exists around money and mental health problems is not unique to minoritised ethnic groups.⁴⁶ However, our research shows that for some, being from a minoritised ethnic group can mean that stigma is experienced more keenly. It can discourage us from seeking help either professionally or from loved ones, and exacerbate the challenges we face.

Some members of our Research Community spoke about how attitudes within their community meant they were reluctant to talk openly about their money and mental health problems. In some instances, feelings of shame and fears of being seen as weak prevented disclosure, as did concerns about how this would impact their wider family and their own social standing within the community. For others, mental health and financial difficulties were seen as an inevitable by-product of belonging to a minoritised ethnic group, and as a result something that should be endured silently.

“Culturally, counselling was a no-no in the past and although this is changing very slowly, it’s still difficult. We’re supposed to see mental health struggles as standard and to not talk about them as they are just part of the burden of ethnicity.” Expert by Experience of White and Black Caribbean ethnicity

⁴⁵ Bond N. Set Up To Fail: Making it easier to get help with Universal Credit. Money and Mental Health Policy Institute. May 2021.

⁴⁶ <https://www.mentalhealth.org.uk/explore-mental-health/a-z-topics/stigma-and-discrimination>

It's important to recognise that this stigma does not stand in isolation from the longstanding systemic issues facing minoritised ethnic groups. Poor experiences with, and subsequent low levels of trust in, services shape and perpetuate negative attitudes towards disclosure and accessing support.⁴⁷

Recommendations

Addressing the inequalities that exist between those with and without mental health problems will bring benefits for everyone with such conditions, regardless of their ethnicity. But as our research has shown, experiences of money and mental health can also be affected by our ethnicity. To deliver better outcomes for everyone with a mental health problem, policy responses need to take this into account.⁴⁸

Improving our understanding of how money, mental health and ethnicity interact

As a starting point, a better understanding of the relationship between money, mental health, and ethnicity is needed. Too often, the grouping together of a diverse range of ethnicities in national datasets limits meaningful insight. And datasets rarely have a good measure of both mental and financial health, as well as an adequate number of people from minoritised ethnic groups that are representative of the populations they are drawn from. Attempts to overlap ethnicity with additional characteristics such as mental health, therefore, often results in sample sizes becoming too small to enable reliable conclusions.

To better understand how ethnicity interplays with mental and financial health, as well as other demographic factors, **organisations producing national statistics, such as the Office for National Statistics and the Department for Work and Pensions, should improve the representation of people from minoritised ethnic groups in their datasets.** Understanding Society's ethnicity boost sample⁴⁹ is a good example of how this could be achieved.

⁴⁷ Wood L et al. Understanding the stigma of psychosis in ethnic minority groups: A qualitative exploration. *Stigma and Health* 2022; 7(1); 54-61.

⁴⁸ We recognise that many of the barriers to good mental and financial health that people from minoritised ethnic groups face are systemic. Tackling these is paramount, and we support those who are working to do so. Where we have felt better placed to make recommendations within this note, however, is in relation to the interventions that could help address the inequalities that arise as a result of these systemic barriers.

⁴⁹ Berthoud R et al. Design of the Understanding Society Ethnic Minority Boost Sample. Institute for Social and Economic Research University of Essex. December 2009.

Essential services firms such as banks need to understand how different characteristics interact and can result in certain customers being classed as vulnerable.⁵⁰ But the Financial Conduct Authority's Financial Lives Survey - a valuable resource for doing this - also has limited representation of people from minoritised ethnic groups. To enable better identification of, and support for, vulnerable customers, **the Financial Conduct Authority should improve the representation of people from minoritised ethnic groups in their Financial Lives Survey**, also considering steps like an ethnicity boost sample.

There are also challenges in understanding people from minoritised ethnic groups' experiences in mental health settings, due to limitations with both the quantity and quality of ethnicity coding⁵¹ which is where the ethnicity of patients is recorded. As it stands, people from minoritised ethnic groups are less likely to have their ethnicity coded, and more likely to have their ethnicity coded as "not known", "not stated" or "other".⁵² As we saw in our research, people from minoritised ethnic groups often experience worse outcomes when engaging with these services,⁵³⁵⁴ impacting both on mental and financial health.

To better understand what interventions are needed to help break the vicious cycle between the two for people from minoritised ethnic groups, and where people from minoritised groups are accessing services and these interventions should be delivered, **NHS England and NHS Improvement should develop a strategy for improving the quality of ethnicity coding in mental health services**. Updated guidance on recording ethnicity, including protocols for asking patients about their ethnicity using the updated 2021 census categories should be central to this.⁵⁵

⁵⁰ This is required of them according to the Financial Conduct Authority's guidance on the fair treatment of vulnerable customers [<https://www.fca.org.uk/publications/finalised-guidance/guidance-firms-fair-treatment-vulnerable-customers>] and upcoming Consumer Duty [<https://www.fca.org.uk/firms/consumer-duty>].

⁵¹ NHS England's Mental Health Services Data Set provides a breakdown of people in contact with mental health services by ethnicity <https://digital.nhs.uk/data-and-information/data-tools-and-services/data-services/mental-health-data-hub/dashboards/mental-health-services-monthly-statistics>

⁵² Scobie S, Spencer J and Raleigh V. Ethnicity coding in English health service datasets. Nuffield Trust. June 2021.

⁵³ Henderson R et al. Mistrust of mental health services: Ethnicity, hospital admission and unfair treatment. *Epidemiology and Psychiatric Sciences* 2015; 24(3); 258-265.

⁵⁴ Harwood H et al. Variations by ethnicity in referral and treatment pathways for IAPT service users in South London. *Psychological Medicine* 2023; 53; 1084-1095.

⁵⁵ Guidance on ethnicity coding has not been issued to the NHS since 2001 [<https://www.kingsfund.org.uk/blog/2023/01/when-will-government-national-agencies-ensure-ethnicity-coding-health-record>]

Removing the barriers that people with mental health problems from minoritised ethnic groups face to a good income

Fundamental to improving the financial health of people with mental health problems from minoritised ethnic groups is removing the barriers they face to good employment. Being in work isn't suitable for everyone, but for those who do want to work, it's important that they are able to access quality employment support. Employment advisors in Improving Access to Psychological Therapies (IAPT) services⁵⁶ provide valuable employment support for people with mental health problems. But most people who see these advisers are from the White ethnic group (86%)⁵⁷⁵⁸ and there's limited reporting on outcomes by ethnicity.⁵⁹⁶⁰

The Department for Work and Pensions and the Department of Health and Social Care should implement a strategy that aims to increase the number of people from minoritised ethnic groups accessing employment advisors in IAPT, and improve the monitoring of outcomes by ethnicity.

Employers also have a big role to play in making their workplaces more accessible and supportive for people with mental health problems from minoritised ethnic groups. We have previously called for employers with over 250 staff and in the public sector to prioritise mental health and develop fairer recruitment, retention and progression practices.⁶¹

⁵⁶ <https://www.gov.uk/government/publications/employment-advisers-in-improving-access-to-psychological-therapies>

⁵⁷ Employment Advisers in Improving Access to Psychological Therapies: Client Research. Department for Work and Pensions, Department for Health and Social Care, and Department for Social Research. April 2022.

⁵⁸ This is a bit higher than the national average of people from the White ethnic group in England and Wales (81.7%) [<https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/ethnicity/bulletins/ethnicgroupenglandandwales/census2021#>]

⁵⁹ Purdon S et al. Employment Advisers in Improving Access to Psychological Therapies Evaluation of the impact of Employment Adviser support in Steps2Wellbeing IAPT (Southampton and Dorset). Department for Work and Pensions, Department for Health and Social Care, and Department for Social Research. April 2022.

⁶⁰ Individual Placement and Support services are also vital sources of employment support for people with more severe mental illness. But research has shown that people from minoritised ethnic groups do not face worse outcomes when engaging with IPS services [Perkins R et al. Individual placement and support: cross-sectional study of equality of access and outcome for Black, Asian and minority ethnic communities. Cambridge University Press. February 2021.]

⁶¹ The Mental Health and Income Commission. Closing the gap: The final report of the Mental Health and Income Commission. Money and Mental Health Policy Institute. February 2021.

Employers should also develop mental health strategies that address the specific barriers that those from minoritised ethnic groups can face to entering into, progressing and staying in work. Specific steps employers can take include:

- ensuring that all line managers receive mental health training that covers how experiences of mental health can be affected by different demographic factors such as ethnicity
- promoting counselling services, including those aimed at supporting people from minoritised ethnic groups
- providing the time and resources for peer support groups to be set up within workplaces for people from minoritised ethnic groups
- creating clear pathways for people to raise concerns and complaints regarding potential discrimination, with clear policies and processes to ensure positive and supportive responses are provided.⁶²

Supporting the financial health of people from minoritised ethnic groups in mental health settings

Greater understanding is needed among healthcare professionals on the links between money and mental health, and how this can be affected by ethnicity.

To help address this, **the Money and Pensions Service should partner with NHS England to promote the take-up of their training module ‘All our health: Financial wellbeing’.**⁶³ This module is available on Health Education England’s training site,⁶⁴ and provides some important insights into how our ethnicity can affect our financial health. But the impact of ethnicity on money and mental health could be incorporated into this module further, and increasing its take-up would play a vital role in supporting a wider range of mental health practitioners to identify people at risk of or experiencing financial difficulties, and equip them with the skills and confidence to ask everyone with mental health problems about these issues.

Even with this increased awareness, it can’t be assumed that this inquiry will be commonplace.

⁶² <https://citymha.org.uk/docs/CMHA-Mental-Health-Race-Toolkit.pdf>

⁶³ <https://portal.e-lfh.org.uk/Component/Details/783373>

⁶⁴ This offers free training programmes to health and social care professionals across the NHS.

That's why **the Department for Health and Social Care, alongside the NHS, should establish a routine inquiry about financial difficulties as standard in primary and secondary mental health services, that takes into consideration people from minoritised ethnic groups' experiences.** From our research, this could include asking about community as well as more formal borrowing when inquiring about debt, and understanding that people from minoritised ethnic groups' might have financial dependents that extend beyond their immediate family into the wider community. Given the stigma surrounding mental health and financial difficulties, which can be especially pronounced for people from minoritised ethnic groups, it's important that this inquiry happens more than once as people might not feel able to talk about difficulties with their finances until they've built up a degree of trust in their healthcare provider.

It's vital that people who do disclose struggling with their finances are then referred onto support that can address this. Some people from minoritised ethnic groups might prefer or benefit from receiving support delivered by organisations based within their community, who can understand and speak to their experiences of being from a minoritised ethnic group. It's therefore important that healthcare professionals build up an awareness of these services and, if appropriate, refer people onto them. Link workers are well-positioned to build connections with these community-based organisations and make warm referrals onto them.⁶⁵

For those who are accessing secondary mental health services, the risk of income drops, falling behind on essential bills and incurring bank charges is especially significant.⁶⁶ Despite this, there is a lack of routine screening for financial difficulties for people in these services. To counter that, as part of the ongoing review of the Mental Health Act⁶⁷ **the Department for Health and Social Care alongside the NHS should make financial prompts in Advance Choice Documents compulsory.**⁶⁸⁶⁹ This would provide a vital mechanism by which people in secondary mental health services are asked about and have their financial needs addressed. This would be of particular benefit to people from minoritised ethnic groups, and in particular from Black ethnic groups, given their over-representation in these services.⁷⁰

⁶⁵ <https://moneyandpensionsservice.org.uk/2022/03/10/three-ways-link-workers-can-support-people-with-their-money-worries/>

⁶⁶ Bond N and Preece G. Not a Secondary Issue: Preventing and resolving financial difficulties for people in secondary mental health care. March 2022.

⁶⁷ <https://commonslibrary.parliament.uk/research-briefings/cbp-9132/>

⁶⁸ Advance Choice Documents allow people to outline, in advance, their treatment wishes and preference.

⁶⁹ Previous research has investigated the economic benefit of having Joint Crisis Plans - a form of Advance Choice Document - especially for people from Black ethnic groups [Barrett B et al. Randomised Controlled Trial of Joint Crisis Plans to Reduce Compulsory Treatment for People with Psychosis: Economic Outcomes. Plos One. November 2013.]

⁷⁰ Bignall T, Jeraj S, Helsby E, Butt, J. Racial Disparities in mental health: Literature and evidence review. Race Equality Foundation. March 2020.

Improving the provision of debt advice for people with mental health problems from minoritised ethnic groups

Having a mental health problem and being from a minoritised ethnic group can mean we're more likely to be struggling to keep up with bills and payments. Yet it can also mean we face greater barriers to accessing and engaging with advice that can help us address this.^{71,72}

To better understand these barriers and how they can affect people's financial situation, **the Money and Pensions Service should publish debt advice client outcomes data according to characteristics such as mental health and ethnicity.**⁷³ Advice providers increasingly collect this data for the Money and Pensions Advice Service, and this information would help identify where and what changes are needed⁷⁴ to make sure these services are working for everyone.

When people access debt advice, they are often supported to fill in a Standard Financial Statement.⁷⁵ This summarises people's income, outgoings and any debts that they owe, which can then be shared with creditors to establish more suitable repayment plans.⁷⁶ While there's great value in having a uniform approach, our research has demonstrated that people from minoritised ethnic groups might have experiences relating to spending and borrowing that aren't reflected in the form.⁷⁷

While the guidance recognises that circumstances will be different for each individual client,⁷⁸ **the Money and Pensions Service should work with debt advisors to make sure they understand the types of additional costs people with mental health problems from minoritised ethnic groups might face, and encourage greater flexibility when completing Standard Financial Statements in light of these.** This should also be accompanied by better guidance for creditors, to support them to respond to these outgoings and costs in a culturally sensitive way.

⁷¹ Bond N and Holkar M. Help Along the Way: Making debt advice accessible to people with mental health problems. Money and Mental Health Policy Institute. July 2020.

⁷² Evans J et al. The intersecting impacts of mental ill-health and money problems on the financial wellbeing of people from ethnic minority communities. Money and Pensions Service. January 2023.

⁷³ This aligns with one of the commitments in the Money and Pensions Service's UK Strategy for Financial Wellbeing [<https://moneyandpensionservice.org.uk/our-debt-work/>], which is to develop and implement a debt advice sector-wide approach to data, evidence and reporting. One of the key aims for doing this, is to help foster improvement at all stages of the client journey.

⁷⁴ Reflections from our own research include: addressing the barriers that people might face to telephone services as a result of their mental health problem, and also for people for whom English is not their first language; as well as the difficulties organising and presenting large amounts of paperwork can be when you have a mental health problem and are potentially dealing with complex documentation relating to migration, for example.

⁷⁵ <https://sfs.moneyadvice.service.org.uk/en/what-is-the-standard-financial-statement>

⁷⁶ <https://www.stepchange.org/debt-info/income-and-expenditure-financial-statement.aspx>

⁷⁷ For example, expectations of mutual aid mean people from minoritised ethnic groups might have a wider network of financial dependents.

Ensuring good outcomes in essential services for people with mental health problems from minoritised ethnic groups

Essential services also have a vital role to play in supporting people who are struggling with their finances. In a number of these key regulated sectors, firms are required to monitor whether different groups experience worse outcomes and to act if unfair inequalities emerge. Factors like ethnicity and disability (which often covers mental health problems) are major considerations that regulators often underline the importance of.

Firms also have a role to play in making their products and services more accessible to people with mental health problems from minoritised ethnic groups. There are already examples of good practice that should be built on and rolled out more widely. For instance, in recognition of the fact it can be impossible for people who have recently migrated to the UK to provide proof of addresses covering several years, Lloyds accepts a letter from a charity recommending an applicant for a bank account.⁸²

This is why we want **essential services firms to deliver internal training for front-line staff, that broadens the understanding of how people from different ethnicities talk about their mental and financial health.** We have previously published work looking at how people conceptualise their mental health problem,⁷⁹ and further desk-based research as well as work with people with lived experiences is needed to update this knowledge in the context of ethnicity.⁸⁰ As well as working to better identify and encourage disclosure of a mental health problem, firms are also well placed to provide warm referral pathways to services that can support clients with their mental health.⁸¹ Services that support people from minoritised ethnic groups with their mental health, should be among those that front-line staff are aware of and refer to.

⁷⁸ Standard Financial Statement: User Guide. Money Advice Service. 2019.

⁷⁹ Bond N and Fitch C. The need to know: Understanding and evidencing customers' mental health problems. Money and Mental Health Policy Institute and Money Advice Trust. February 2020.

⁸⁰ In light of the possible additional stigma concerning mental health problems that people from minoritised ethnic groups can experience, it will be important for firms to better understand how people from minoritised ethnic groups speak about and conceptualise their mental health. The result, for example, could include moving beyond diagnostic language when inquiring about or identifying disclosures of mental health problems, and considering broader terms such as 'sad'.

⁸¹ Bond N and Holkar M. Help Along the Way: Making debt advice accessible to people with mental health problems. Money and Mental Health Policy Institute. July 2020.

⁸² Evans J et al. The intersecting impacts of mental ill-health and money problems on the financial wellbeing of people from ethnic minority communities. Money and Pensions Service. January 2023.

Conclusion

Our research makes clear that the combination of having a mental health problem and being from a minoritised ethnic group, can mean people encounter significant barriers to good mental and financial health. Everyone's experience is unique, and an important next step is to better understand the drivers behind this diversity of experience, including why among those with mental health problems people of Multiple or Mixed ethnicity are least likely to be in work, and those who are Black, Black British, African or Caribbean are most likely to be in a household that's behind on bills. The improved representation of people from minoritised ethnic groups in national datasets is key to this. But that doesn't stop us in the meantime from taking action, outlined in our recommendations, to address these mental and financial inequalities.

Acknowledgements

We would like to thank all of the members of our Research Community who made time share their insights and experiences. We'd also like to thank all those who attended our roundtable and contributed their knowledge and expertise to this research, and particularly those from organisations who work closely with people from minoritised ethnic groups. Finally, a special thanks to Professor James Nazroo for his helpful feedback. The findings, recommendations and any errors remain those of the authors alone.