

## **Money Matters and Steps to Defeat Depression**

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It's unclear who first said, "Money can't buy happiness." But whoever said it was probably not faced with more bills than money in their accounts. Money cannot buy happiness, but it is the only thing that will pay those bills. Having enough money to pay all our bills allows us to provide for our families, plan for our future and enjoy our leisure time.

Not having enough money restricts our choices and wreaks emotional havoc on our psyche. Borrowing money to pay those bills leads to debt, which can lead to all sorts of problems that have nothing to do with accounting and everything to do with psychology. A study by the University of Nottingham in England reports people who struggle with debt are more than twice as likely to suffer from depression. Hopelessness sets in, as does low self-esteem. It can lead to even more debt since sufferers sometimes try to relieve their depression by treating themselves to a shopping spree or some other expense.

A study published in *Psychology Science* found that those with higher levels of unemployment were more likely to purchase over-the-counter pain killers. Other research reports that worrying about debt triggers stress, which reduces your resilience against both mental and physical health problems. Additional studies show mental health problems decrease self-control, increase spending, and basically mess up a person's financial judgment.

We the people do not have the luxury of endless deficit spending, though many of us act as if we do. We put off dealing with problems until some outside event – credit denied, **threat of foreclosure**, legal action, harassing phone calls from **debt collectors** – forces a change.

Some of the symptoms of debt denial are:

- Underestimating how much you owe.
- Not answering the phone when you suspect a collection agency is calling.
- Leaving bills unopened or just stuffing them in a drawer.
- Opening a new credit card when your old one is maxed out.
- Telling yourself that everyone is in the same situation.

Such behavior just leads to more debt as interest charges and late fees pile up. Remember ignoring reality is an easy defense mechanism for the brain. It is a way to rationalize mistakes and protect your ego. The problem is that ignoring reality allows for the problems to intensify.

Anyone who has suffered from depression knows that dwelling on negative thoughts can become rather debilitating. The financial challenge that many of us are facing with COVID 19 may very well be aggravating depression and causing depression symptoms to worsen. Thus, gaining complete control over your financial situation is one of the steps necessary for creating a calm and stress-free mental state that is conducive to healing and making progress with issues.

With that said, here are five actionable tips anyone can use to manage their finances better while dealing with depression.

### 1. Focus on Debt Reduction

Although therapists and gurus may try to convince depression sufferers that “happiness comes from within,” it is difficult for someone who is already dealing with depression to fend off negative thoughts and moods when debt, poor credit, and overwhelming financial obligations are daily realities compounding stress.

The first money management step is assessing the situation and creating a plan. This translates to a depressed person needing to take the step of tackling their debt. That doesn’t necessarily mean you have to pay all of it at once but the simple step of creating and starting a payment plan and knowing that you are on track will help you shake that helpless feeling of having a black cloud of debt hanging over your head.

#### Step 2 Use a Savings Account

Once you have decided how much you are going to allocate money towards debt repayments every month, your next move should be to determine how much you can reasonably save. After doing that you can set up your current account to schedule an automated transfer for a set amount to your savings account on a monthly or bi-weekly basis. There are two options available to streamline financial management for stress reduction. You can use Direct Debits to pay bills or set up your bills with your banks on line payment options—I prefer going into my online checking account and actually inputting the amount I’m paying on my bills each month. It makes me feel like I am working at managing my money. There is an option for direct payment that can be set up at your bank, or with a debtor which is another option to streamline your monthly payments enabling you to reduce stress.

### 3. Focus on Recent Progress Instead of Future Challenges

When you are already dealing with depression, it is a very bad idea to purposefully focus on the difficulties of life. Instead, focus on the progress that you have been making, no matter how small. Fortunately, most people who suffer from depression still retain some basic control over their core mental state—that is, the topics they choose to think about.

In other words, no matter how depressed you are, if someone says to you “close your eyes and picture Old Faithful,” you still have the ability to purposefully imagine Old Faithful, just as you have the ability *to steer your thoughts towards past successes* instead of coming obstacles. When the burden of what is to come starts exacerbating your depression, take a deep breath, close your eyes, and focus solely on the positive steps you have been and currently are taking. We choose what we think about. A research team discovered that simply thinking about the prospect of financial insecurity was enough to increase pain. People reported feeling almost twice as much physical pain after recalling a financially unstable time in their life compared to those who thought about a secure period.

### 4. Practice Budgeting to Reduce Stress when Dealing with Depression

Unfortunately, depression often encourages one to spend. It is an interesting fact that spending money has been shown to emotionally give one a sense of power and control. Comprehensive budgeting is one of the tools you can use to avoid the compulsive spending habits that depression often encourages.

Keeping a tally of everything, creating, and using a spending log, not only helps you keep your finances organized it is an easy tool to use to prevent excessive spending. A spending log can be as simple as a small notebook you carry in your pocket or purse. The action of keeping a log is also a highly therapeutic activity in and of itself.

If spending and unplanned purchasing or compulsive purchasing is an issue you deal with, do not watch shopping channels on TV. It's fun to select and purchase something new and wished for but that brief moment of joy will be squelched as soon as the bill arrives, Behavior patterns that compel some to spend without restraint can drive a person into debt just as surely as a financial emergency caused by a car crash. Regardless of how someone falls behind, being in debt can trigger unsettling emotional responses.

Uncertainty and the stress of decision-making are two factors that can greatly exacerbate depression, anxiety, and other mental health conditions. Developing and using a consistent budget is the best way to alleviate feelings of depression, and anxiety when it comes time to manage finances. Remember step 1 .taking action to create a plan to address your dept issue...having everything mapped out and taken care of within a consistent budget is the best way to alleviate feelings of depression, anxiety and stress when it comes time to manage finances.

#### 5. Consider Debt Counseling and other Forms of Therapy

Living with depression is not easy and anyone who can recognize that they are suffering from an abnormal amount of depression will benefit from the help of one or more therapeutic professionals. This aid can come in the form of traditional counseling, financial advisory, acupuncture, yoga, massage, aromatherapy, diet/nutritional guidance, and even medication-based treatments in some cases. Living with someone who struggles with depression can be depressing. However, remember there is help available. Please care enough to make a call for help if your loved one's depression is spiraling downward. Your call may save a life.