



Published in final edited form as:

Psychiatr Rehabil J. 2013 June ; 36(2): 116–118. doi:10.1037/h0094982.

Recovery and Money Management

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Abstract

Objective—Social recovery and external money management are important approaches in contemporary mental health care, but little research has been done on the relationship between the two or on application of recovery principles to money management for people at risk of being assigned a representative payee or conservator.

Methods—Twenty-five transcripts out of forty-nine total qualitative interviews with persons receiving SSI or SSDI who were at risk of being assigned a money manager were analyzed to assess the presence of recognized recovery themes.

Results—The recovery principles of self-direction and responsibility were strong themes in participant comments related to money management.

Conclusions and Implications for Practice—Money management interventions should incorporate peoples' recovery-related motivations to acquire financial management skills as a means to direct and assume responsibility for one's finances. Staff involved in money management should receive training to support client's recovery-related goals.

“Social recovery,” a process through which people achieve a full life in their communities, has been endorsed at the national level (President's New Freedom Commission on Mental Health). External money management, in this article, refers to storage of funds by a third party on behalf of persons with psychiatric disorders who then gain access their funds from this third party (Rosen, Rounsaville, Ablondi, Black, & Rosenheck, 2010). The relationship between money management and recovery approaches is worthy of consideration, since managing one's finances would seem to be an essential element of living a full life in one's community, and recovery-oriented practices would seem to be relevant to many money

management practices. Money management, however, has historically been associated with *limiting* client choice through the use of representative payees or conservators, while recovery places a high premium on individual agency (Torrey & Wyzik, 2000). Thus there is scant literature and little guidance to practitioners and policy makers on applying recovery principles to money management (Padgett, Gulcur, Tsemberis, 2006).

Recent references to money management in a recovery context can be found in the research literature on dual disorders of mental illness and substance use. Elbogen and colleagues' 2011 article proposes a recovery-oriented approach to increasing money management skills for persons with dual disorders (Elbogen, Tiegreen, Vaughan, & Bradford, 2011). The authors recommend that money management practice include systematic efforts to increase clients' knowledge about disability benefits and support their increased money management skills. In our research on money management, we have found that participants' assessments of their finances often reflect recovery-oriented principles. In this study, we considered whether the financial observations of people receiving psychiatric disability payments might suggest ways the recovery-money management link could be enhanced.

Method

Participants

Forty-nine participants were recruited to participate in a randomized controlled trial of a finance-focused behavioral therapy intervention compared to a control therapy focused on coping with stress. Forty-five percent were male, with a mean age of 46.06 (SD = 8.94); 32.7% were African American, 28.6% Hispanic, and 38.8% Caucasian. Participants had completed an average of 11.78 years of education (SD = 3.18). Chart review indicated that 42.9% of participants were diagnosed with Bipolar Disorder, 38.8% with Schizophrenia, 34.7% with Major Depression, 34.7% with a Personality Disorder, 8.2% with Post-traumatic Stress Disorder, and 6.1% with an Anxiety Disorder. Data on work history was not collected.

The experimental intervention involved assessing how participants were managing their funds, providing financial advice, and assessing whether participants would benefit from a representative payee. Participants receiving SSI or SSDI were eligible if they were at risk of needing a payee as evidenced by having been homeless or in an inpatient or day treatment psychiatric facility within the last 90 days. The study was approved by the institutional review boards of three institutions with oversight of human subjects associated with the study.

Procedure

Forty-nine baseline qualitative interviews were conducted before any study therapy was delivered. Questions included the topics of: things that "work" or "don't work" about their money for participants; their activities when they receive their income, things they want to change about their money situations, and people who influence their money management.

The first two-named authors, upon initial review of several transcribed audiotapes, noted the presence of recovery-oriented themes in participants' statements about their finances. (No

questions about “recovery” were asked.) The research team decided to examine the interviews for recovery-related content. A SAMHSA 2004 consensus statement outlining ten core recovery principles was chosen as a guide (Bellack, 2006; SAMHSA, 2004). Five recovery principles conceptually relevant to individual money management were chosen: (1) self-direction, (2) person-centered; (3) holistic, (4) responsibility and (5) hope.

The two authors coded the first ten consecutive interviews and reached consensus with the full research team on coding a random sample of fifteen of the remaining thirty-nine interviews. They reached consensus on the most salient recovery-oriented themes, based on interpretation of participant statements, from a total of twenty-five analyzed interviews.

Results

Participants often expressed pride in management of their money or in lessons they had learned from their mistakes. Two of the four selected SAMHSA recovery themes—self-direction (58 coded instances in 18 of the 25 interviews) and responsibility (55 instances in 23 interviews)—were reflected consistently in the interviews.

Self-direction

We were surprised to learn that many study participants had substantial work histories, and referred to this in comments on managing their finances. A man in his mid-40s who had worked as an accountant stated:

I’m getting a reasonable [amount] of disability. I’m fortunate because I worked quite awhile and made a decent income ... I follow my expenditures closely in order to stay afloat.

A man in his early 50s reported a money management plan that took into consideration his financial obligations and his drug “triggers”:

I’ve learned to figure out a budget before the month. Like what you got [to pay out] ... what you have left over, and then you can make plans accordingly to what you have. It’s harder if you have the cash in your hands ... so I eliminated that and I put it into a direct deposit.

Participants’ actual money management skills may not always have matched their goals, but it is noteworthy that, without prompting, they often spoke, with pride, of their personal financial management.

Responsibility

A strong sense of responsibility came through in many interviews. A man in his early 50s, after acknowledging a history of spending his money on alcohol and cocaine, said:

If I don’t need to spend, don’t spend it ... I used to spend everything ... \$700-\$800 weekly, I used to spend it on dope ... I have learned a lot by my sister ... I am doing very good. I am proud of myself.

A man in his late 50s talked of his new-found respect for money after a time when he worked and spent all his money on alcohol:

I appreciate the value of a dollar ... [W]hen I had it I didn't appreciate it ... [Now] it's okay as long as I pay my debts, pay my bills ... I have to take care of me, my health, my recovery, and money plays a part ...

Many participants, including those with polysubstance dependence, talked about having learned ways to structure their spending—pay bills first, purchase necessities next, and make other purchases as remaining funds allowed.

Conclusion

Money management as a field should help clients manage their money by tapping into their recovery-related perspectives and motivation, *even if* control of their funds is supplanted, and teach them financial management skills to help them, eventually, regaining control over their money. In addition, staff involved in money management should receive training to support client's recovery-related goals. Conversely, the field of social recovery should attend to the issue of money in a way it does not at present. We propose that programs incorporate principles of client choice at entry into external money management, and that co-money management move progressively toward self-management based on client readiness and money management skills. In addition, both money management and recovery proponents should integrate asset building approaches such as subsidized savings that can help move people out of poverty (Swarbrick & Stahl, 2009). Socioeconomically disadvantaged people receiving mental health services can experience financial skill-building as one incremental victory in moving toward a full life in the community (Serowik, Rowe, Bellamy, & Rosen, in press).

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