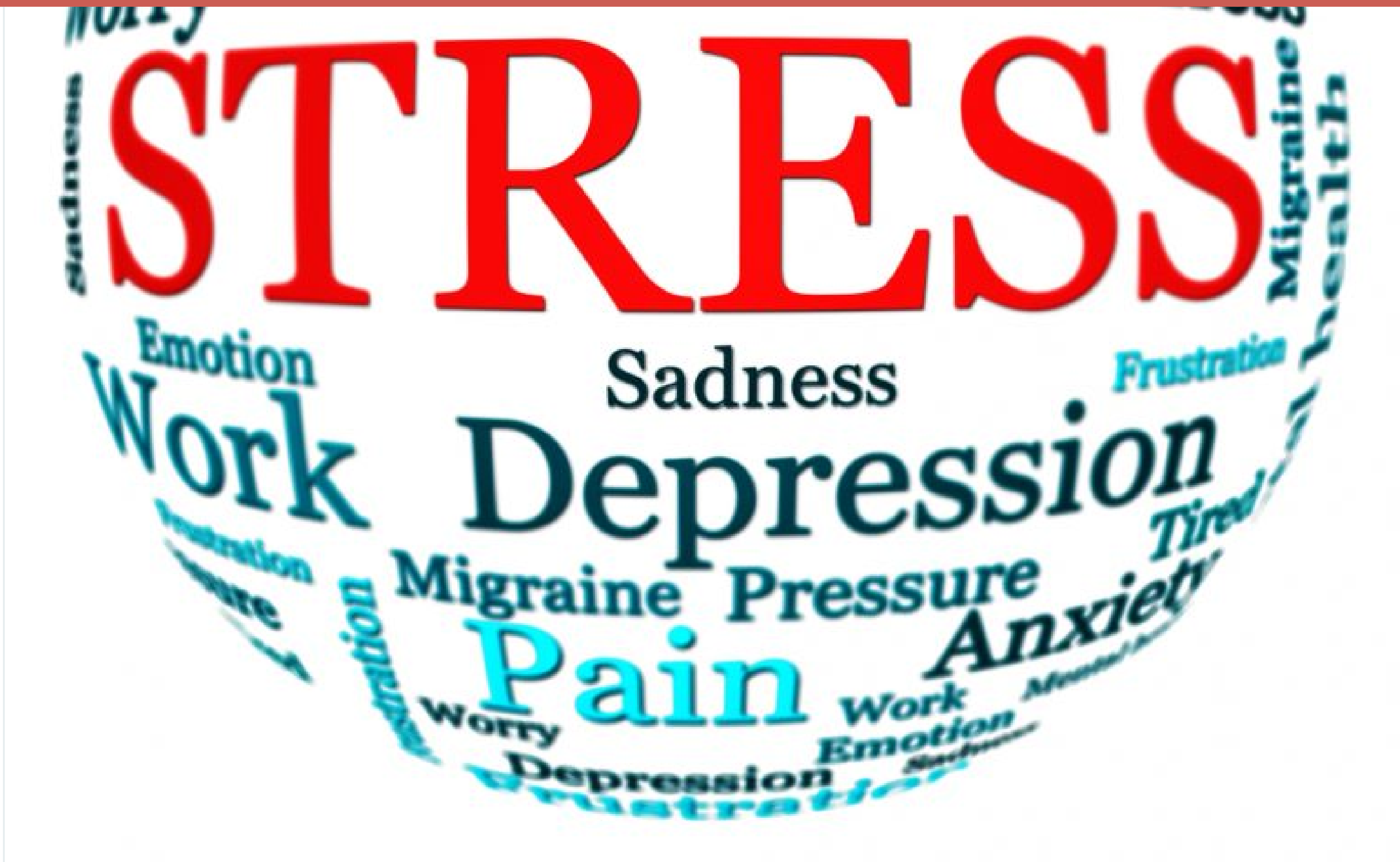
CPA Practice Advisor

this happens at least once a week (up from 52% last year), which includes 29% who say this happens daily.

Isaac M. O'Bannon • May. 25, 2023



Money issues are increasingly taking a toll on mental health for many, as a new Bankrate report finds that more than half of U.S. adults (52%) say that money has a negative impact on their mental health (e.g. anxiety, stress, worrisome thoughts, loss of sleep, depression, etc.), up from 42% in 2022. Nearly all of this group (98%) has at least one increased money worry in the last year.

Money was most cited as a factor that has a negative impact on U.S. adults' mental health, ahead of one's own health (42%), current events (e.g., world news, politics, climate change, Covid, etc. – 41%), the health of family/friends (36%), relationships with friends/family (32%), work (31%), personal appearance (25%), chores/household obligations (22%), romantic relationships (21%), parenting (14%), and something else (3%). Overall, 86% of U.S. adults said at least one factor has a negative impact on their mental health.

	on **Mental Health 2023** (vs. 2022)
Women	**56%** (vs. 46%)
Men	**47%** (vs. 38%)
Gen X (ages 43-58)	**60%** (vs. 46%)
Millennials (ages 27-42)	**55%** (vs. 48%)
Gen Zers (ages 18-26)	**52%** (vs. 40%)
Baby boomers (ages 59-77)	**45%** (vs. 35%)
Lowest-earning households (under $50,000 annually)	**59%** (vs. 48%)
Highest-earning households ($100,000+ annually)	**45%** (vs. 30%)

Among those who say money has a negative impact on their mental health, 56% say

More than one third of the lowest-earning households (35%) with negative mental health impacts relating to finances say money impacts their mental health daily, compared to 23% of the highest-earning households.

Among those who say money has a negative impact on their mental health, more than 4 in 5 (82%) say feelings of stress, anxiety, worrisome thoughts, loss of sleep, depression etc. are caused by economic factors, which include inflation/rising prices (68%), rising interest rates (31%), and not having a stable income/job security (29%). More than half say that paying for everyday expenses such as groceries, utilities etc. (60%) and insufficient emergency savings (56%) are to blame, while more than 2 in 5 say being in debt (such as credit card debt, medical debt, student loans, etc. – 47%), not having enough discretionary spending money (45%), and paying for housing such as rent, mortgage, etc. (42%) negatively impacts their mental health. Other causes of financial stress include being unprepared for retirement/low return on my investments (39%), and something else that is money-related (12%).

Older generations, women and lower earners are more likely to point to inflation/rising prices as a cause of their money-related stress. For example, baby boomers (79%) and Gen Xers (68%) are more likely to cite inflation/rising prices compared to millennials (64%) and Gen Zers (52%). Women (72%) are more likely than men (63%) to say the same, while the lowest-earning households (72%) are more likely than the highest-earning households (60%) to agree.

"There are several sobering statistics in this report," said Bankrate senior industry analyst Ted Rossman. "Americans are feeling pretty bad about their finances, with inflation at the center of many of these money worries. Despite a strong job market, wage growth has not kept pace with the rising cost of living. Debt has been increasing and savings have been dwindling."

return on my investments (27%), and something else that is money-related (20%).

Across all generations, inflation/rising prices was the top cause of increased concern among those who say money has had a negative impact on their mental health in the last 12 months. Baby boomers are significantly more likely (70%) than Gen Xers (59%), millennials (52%), and Gen Zers (37%) to point to inflation/rising prices. Similarly, older generations are also more likely to say that paying for everyday expenses has been a cause of increased concern over the last year, with baby boomers more likely (54%) to feel more concerned about this issue compared to Gen Xers (49%), millennials (47%), and Gen Zers (35%).

"I'd stress that it's never too late to turn things around," Rossman added. "Even if you're not feeling great about the current state of your debt or savings or another financial topic, there are plenty of things you can do to get back on track. For example, a 0% balance transfer card is a really helpful tool for paying down credit card debt. I'm also a big fan of automation. Every paycheck, aim to have some money automatically transferred into a retirement savings plan and other funds diverted into a high-yield savings account. Then try to gradually increase those contributions. You might be amazed at how much money you're able to accumulate over time."

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