

Welcome to the Military Families Learning Network Webinar

Mental Health & Financial Management

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This material is based upon work supported by the National Institute of Food and Agriculture, U.S. Department of Agriculture,
and the Office of Family Policy, Children and Youth, U.S. Department of Defense under Award Numbers 2010-48869-20685 and 2012-48755-20306.

Welcome to the Military Families Learning Network

Research and evidenced-based
professional development
through engaged online communities.

eXtension.org/militaryfamilies



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Connect with the Personal Finance Team

- » [Facebook: PersonalFinance4PFMs](#)
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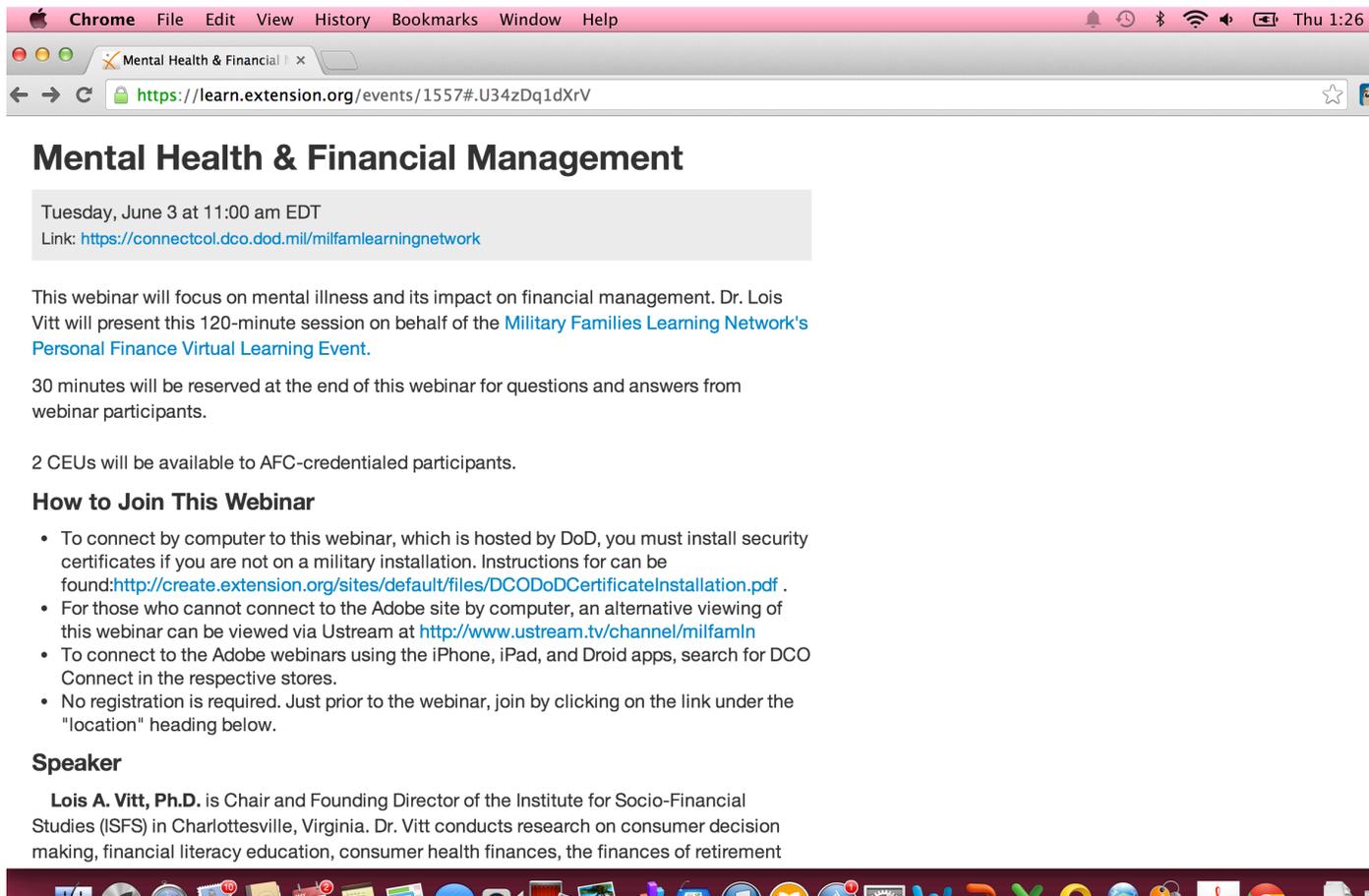


Personal Finance Twitter Cohort

A 2-week learning experience beginning June 9 presented by the MFLN Personal Finance team and the Network Literacy Community of Practice.

- Become a part of a community of learners that will form and build your online network.
- Engage in conversations within the Twitter community centered around your interests.
- Learn from guides that help new users maximize their Twitter experience.
- For more information and to register:
<https://twittercohort.wordpress.com/>

For Resources, Recording, and More Information:
<https://learn.extension.org/events/1557#.U34zDq1dXrV>



The screenshot shows a Chrome browser window with the following content:

- Chrome Browser:** The top bar shows the Chrome logo, menu items (File, Edit, View, History, Bookmarks, Window, Help), and system icons (notifications, clock, Bluetooth, Wi-Fi, volume, battery) on the right. The address bar shows the URL <https://learn.extension.org/events/1557#.U34zDq1dXrV>.
- Page Title:** "Mental Health & Financial Management".
- Event Details:** A grey box contains the text "Tuesday, June 3 at 11:00 am EDT" and a link: <https://connectcol.dco.dod.mil/milfamlearningnetwork>.
- Webinar Description:** "This webinar will focus on mental illness and its impact on financial management. Dr. Lois Vitt will present this 120-minute session on behalf of the [Military Families Learning Network's Personal Finance Virtual Learning Event](#)."
- Additional Info:** "30 minutes will be reserved at the end of this webinar for questions and answers from webinar participants." and "2 CEUs will be available to AFC-credentialed participants."
- How to Join This Webinar:** A section with four bullet points:
 - To connect by computer to this webinar, which is hosted by DoD, you must install security certificates if you are not on a military installation. Instructions for can be found:<http://create.extension.org/sites/default/files/DCODoDCertificateInstallation.pdf> .
 - For those who cannot connect to the Adobe site by computer, an alternative viewing of this webinar can be viewed via Ustream at <http://www.ustream.tv/channel/milfamlin>
 - To connect to the Adobe webinars using the iPhone, iPad, and Droid apps, search for DCO Connect in the respective stores.
 - No registration is required. Just prior to the webinar, join by clicking on the link under the "location" heading below.
- Speaker:** A section titled "Speaker" with the text: "Lois A. Vitt, Ph.D. is Chair and Founding Director of the Institute for Socio-Financial Studies (ISFS) in Charlottesville, Virginia. Dr. Vitt conducts research on consumer decision making, financial literacy education, consumer health finances, the finances of retirement"
- Taskbar:** The bottom of the screenshot shows a Windows taskbar with various application icons.

Dr. Lois Vitt

Lois A. Vitt, Ph.D. is Chair and Founding Director of the Institute for Socio-Financial Studies (ISFS) in Charlottesville, Virginia. Dr. Vitt conducts research on consumer decision making, financial literacy education, consumer health finances, the finances of retirement and aging, and financial instruments and organizations. She has an executive background in business and finance, and she is a consultant to financial services companies and community organizations. She is Editor-in-Chief of the two-volume Encyclopedia of Retirement and Finance, and the author of articles and books about the social psychology of consumer financial decision making. Dr. Vitt pioneered the development of real estate financing vehicles for the capital markets, and her research on the beneficial social and personal effects of homeownership has been presented to audiences around the world. She received an Executive M.B.A. from Pace University , New York , and M.A. and Ph.D. degrees in Sociology at the American University in Washington , D.C.



**Money Behavior: *How People
Make Financial Decisions***
June 3-5, 2014

June 3, 2014

**Mental Health and Financial Management:
Boosting Client/Student Self-Efficacy**



Lois A. Vitt, Ph.D. Founding Director
Institute for Socio-Financial Studies
lvitt@isfs.org

What We Do...

- Founded in 1991, ISFS has had a far-reaching impact both in the US and around the world.
- ISFS research applies findings from social psychology and behavioral finance to understand consumer financial literacy and financial decision-making in consumption, education, health, housing, work and retirement behaviors.
- ISFS works with financial stakeholders, educators, counselors, and policymakers to use behavioral research (especially marketing) and apply it to financial life circumstances and transactions for customers, clients and students.

What For today – The Basics...

- I. Mental health, mental illness.
- II. Essentials for effective personal financial management:
- III. Paradox of “Financial Perfectionism.”
- IV. Social influences on consumer behaviors
- V. Values-focused financial decision-making.

I. Mental Health is...

A state of well-being in which the individual can

1. Cope with the normal stresses of life,
2. Realize his or her own abilities,
3. Work productively and fruitfully, and
4. Make a contribution to his or her community.*

* Center for Disease Control (CDC), may be accessed at <http://www.cdc.gov/mentalhealth/basics.htm>

1. Cope with Normal Stresses of Life*

- a. **Acute Stress:** e.g. “Fight or flight.” The body defends itself and takes about 90 minutes for the metabolism to return to normal when the response is over.
- b. **Chronic Stress:** the cost of daily living: bills, children, relationships, jobs...stresses often unaddressed or suppressed.
- c. **Distress:** separation and/or divorce, death, injury, negative feelings, punishment, financial problems, work difficulties.

* American Institute of Stress: www.stress.org/military

2. Realize His/Her Own Abilities

- The ability to understand the situations and conditions that affect well-being: personal, social, physical and material, financial.
- The ability to engage in routine activities, planning, and risk management for current and future needs.
- The ability to discern choices, seek and obtain advice, and make self-enhancing decisions.
- The ability to communicate, advocate for others, and respond competently to adversity.

3. Can Work Productively and Fruitfully*

- **People skills:** teamwork, leadership, interpersonal skills, oral and writing communication skills.
- **Self-reliance skills:** self-awareness, networking, time management.
- **General skills:** problem-solving, IT/ICT/computer literacy, flexibility /adaptability, numeracy, commitment/motivation, commercial awareness.

* "What Skills do Employers Want," WorkForce Solutions, Upper Rio Grand Workforce Development Board. See <http://www.urgjobs.com/pdf/Skills.pdf>

4. Able to Contribute to His/Her Community.*

- **Communication skills** (listening, verbal, written): by far, the one skill mentioned most often.
- **Interpersonal abilities:** ability to relate to others, inspire others to participate in activities and mitigate conflict.
- **Multicultural sensitivity/awareness:** ability to build rapport with others in multicultural settings.
- **Teamwork:** ability to work with others while attempting to achieve a common goal.

* "What Skills do Employers Want," WorkForce Solutions, Upper Rio Grand Workforce Development Board. See <http://www.urgjobs.com/pdf/Skills.pdf>

Incidences of Mental Illness

About 18 percent of the American Adult Population have an anxiety disorder in any given year, including post-traumatic stress disorder (Mental Health America 2014).

Symptoms vary depending on the type of anxiety disorder, but general symptoms include (WebMD.com):

- Feelings of panic, fear, and uneasiness.
- Uncontrollable, obsessive thoughts.
- Worrying about small or large concerns.
- Restlessness and feeling keyed up.

Incidences of Mental Illness (cont'd.)

About 10 percent of the American adult population will have a mood disorder in any given year, such as depression or bipolar disease:

Symptoms of depression may include:

- Difficulty concentrating, remembering details, and making decisions.
- Fatigue and decreased energy
- Feeling hopeless, irritable, and/or guilty.
- Loss of interest or pleasure in activities.
- Loss of (or increase in) appetite.
- Sleep disturbances.

Related Statistics and Estimates

1. Although about 1 in 5 American Adults will have a mental health condition in any given year, only 41 percent will receive services (Mental Health America 2014).
2. The antipsychotic drug *Abilify* is the nation's highest-selling at \$6.9 billion (Annual sales through 3/2014, IMS Health).
3. The CDC estimates that only about 17% of U.S. adults are in a state of optimal mental health (Center for Disease Control, 2014).

II. Essentials for Effective Personal Financial Management

1. Clearheaded thinking.
2. Availability of integrated help.
3. Self-efficacy: ability to discern choices, believe the goal can be obtained, know how to seek and obtain advice and be able (and motivated) to make informed financial decisions.
4. Public/social policy that supports productive financial education and mental health initiatives that help consumers/service members make better financial decisions.

1. Clearheaded Thinking Unlikely When an Individual is...

- Suffering from a painful or debilitating illness or condition (e.g. physical injury, migraine headache, the flu, alcohol or drug dependence).
- Emotionally unstable due to a life event or condition (e.g. death, divorce).
- Distracted by a too-busy workload or other such impediment.
- Unemployed, overwhelmed, feeling helpless and/or ineffective in his/her daily life, job.
- Unable to care financially for oneself and/or loved ones.

2. Integrated Help

1. Responsive mental health care.
2. Efforts/commitment to reduce social stigma associated with mental health.
3. Counselors and educators who understand the human priorities, mistakes, and concerns of service members and their families.
4. Training that is designed to develop self-efficacy of clients/students.
5. Leadership direction and support of productive (not only remedial) financial education.

3. The Goal of Most Financial Counselors/ Educators: Client/Student Self Efficacy

1. Knowledge about credit, debt, saving, budgeting/
planning.
2. Rational decision-making.
3. Cost consciousness and financial management skills.
4. Understanding of compound interest and early saving
habits.
5. More personal responsibility for career paths,
education, and the outcomes of their choices.
6. Early planning for a secure retirement.

3. But Most Clients/Students' Priorities are...

- Delayed adulthood, less adherence to tradition.
- Personal and social relationships that succeed.
- To “make it” in the worlds of commerce and employment on their own terms.
- To be treated fairly by businesses, public entities, employers and the educational and financial systems.
- Autonomy and authenticity.

4. Social/Public Policy Essentials...

- Responsive to services members' values, expressed needs, and concerns that help to overcome the stigma of pursuing mental health treatment;
- Coordination of physical health initiatives, financial education/counseling, mental health care, with integration of these services under an institutional umbrella that promotes self-efficacy;
- Optimization of available resources to support programs that help service members and their families become more financially self sufficient and secure.

4. Social/Public Policy Essentials (cont'd.)

- Physical care, comfort and the alleviation of pain when needed;
- Emotional support and alleviation of fears, depression, and anxiety;
- Involvement of family and friends;
- Transition and continuity from one locus of care to another when needed;
- Access to support services and care.

III. Paradox of Financial Perfectionism

- Student loans needed for college education can sometimes jeopardize employment opportunities.
- Consumer credit is easily available but punitive consequences will follow a single late or missed payment.
- Assistance might be available to avoid a foreclosure, but ruin your creditworthiness in the process.
- “Social class ranking” by credit scores.
- Affordable housing is available, but only for those who have near-perfect credit scores.

III. Paradox of Financial Perfectionism (cont'd)

- Bank bailouts by the US Taxpayers led to restrictive lending policies against the general public.
- Predatory loans cause stresses of everyday life for service members and their families.
- Penalty rates on a low market-rate credit card will punish a tardy consumer “indefinitely.”
- The requirement for perfection by banks is supposed to help mitigate risk, but in fact it is leading to changing definitions of success.

III. CHANGING DEFINITIONS OF SUCCESS (Yankelovich Partners 2013)

SUCCESS BY COPING:

- 1. GRIT NOT GET:** Success is not solely about winning or losing, but in the effort one gives to playing the game.
- 2. COOPERATION:** There is no success in individual achievements that entail negative consequences for others.
- 3. PLAN B:** Success is for those who expect—and even plan—to fail. What makes them winners is having a back-up plan for the inevitable roadblock.
- 4. PASSIONS:** Engaged in what inspires and excites; it is about finding joy in the process, not just the object or the end-point

SUCCESS BY REINVENTION:

- 1. MATERIAL WEALTH** doesn't stand alone as a measure of success. Rather, it's the personal and social benefits and experiences that are the reward.
- 2. HAPPINESS:** Measured less by the market value, more by meaning.
- 3. CREATIVITY:** Playing the hand one is dealt to fit one's lifestyle.
- 4. GAMING:** Regardless of circumstance, simplifying the experience to win.
- 5. FRIENDS:** Friends form a support network, irrespective of what their individual visions of success may be.

IV. Social Influences on Financial Behaviors

1. Social others and environments influence all financial behaviors.
2. Shopping is often can experienced as entertainment.
3. Saving (sometimes spending) is encouraged as patriotic.
4. Advertisers target the vulnerable: service members and their families, very young children*, the fearful, the sick, and older adults.
5. Financial institutions are frequently punitive toward depositors/customers.

* American Academy of Pediatrics, Committee on Communications. <http://www.aap.org/en-us/about-the-aap/Committees-Councils-Sections/Council-on-Communications28Media/Pages/default.aspx>

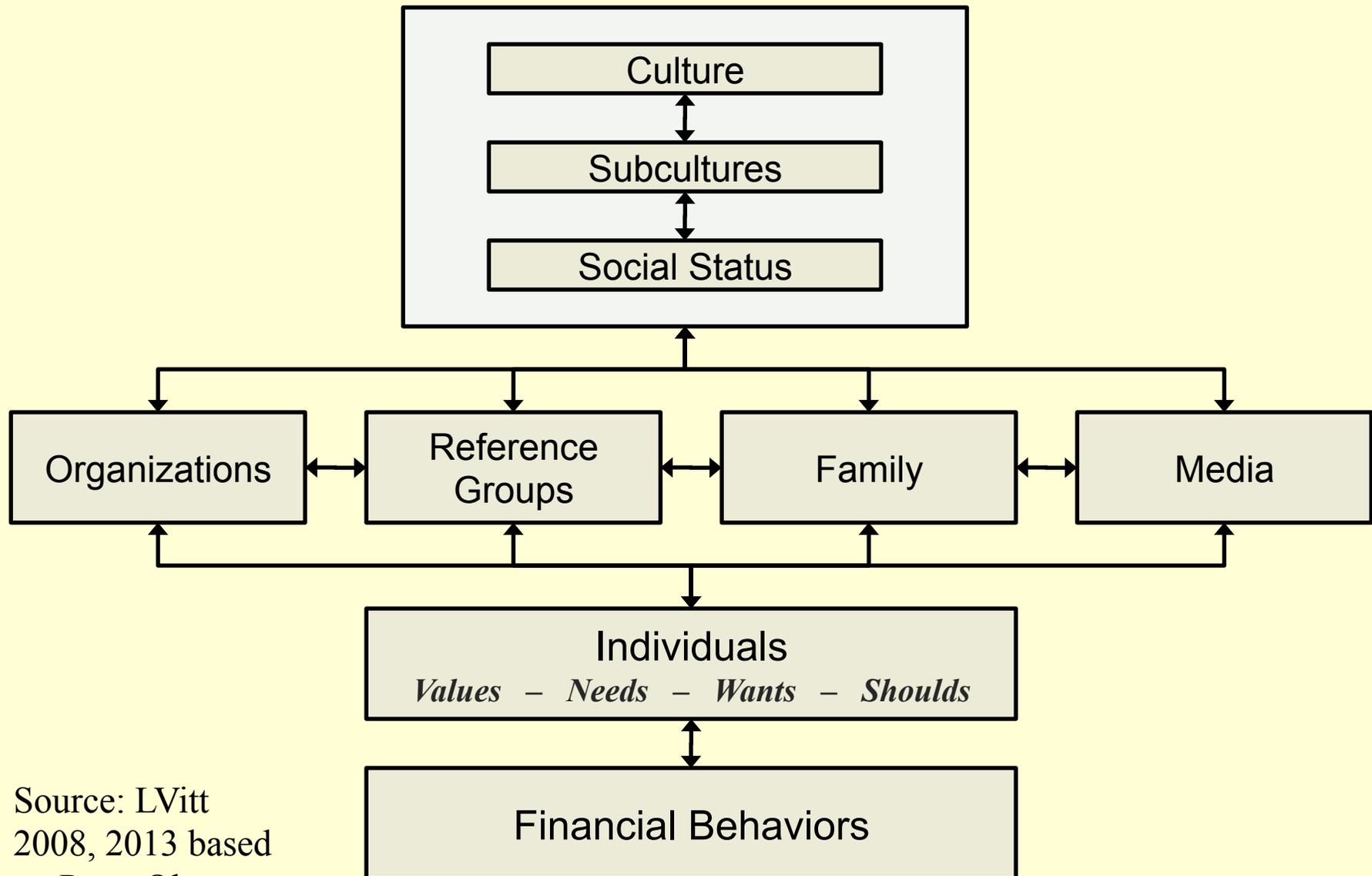
IV. Social Influences: Lack of Workforce Engagement 2013

- Gallup: 70% of U.S. workers either “not engaged” (52%) or “disengaged” (18%).
- Blessingwhite Research: nearly 60% of 2685 North American workers are “disengaged” or “almost disengaged” (36% and 23% respectively).
- *The NY Times* elaborates in an editorial on 5-30-2014 “Why You Hate Work.” Employees’ 4 Core Needs: Renewal, Value, Focus, and Purpose.

IV. Social Influences: What Workers need to Increase Feelings of Engagement

- I want to know that my supervisor or someone in authority cares about me as a person.
- There is someone at work who encourages my development.
- At work, my opinions count.
- In the last six months, someone at work has talked to me about my progress.
- This last year, I have had opportunities at work to learn and grow.

Flows of Social Influence on Financial Behaviors



Source: LVitt
2008, 2013 based
on Peter Olson

V. Values-Focused Financial Decisions...

- A philosophy that attempts to shape financial enterprise and to empower individuals and families.
- Establishes an educational culture that is both individualistic and socially responsible.
- Fosters learning about financial wellbeing and feelings of significance for all involved.
- Utilizes a behavioral finance strategy to

Tools You Need

1. Understand Life Values Principles.
2. Know what your clients/students value and why.
3. Develop an awareness of societal trends, client emotional and physical well-being and behavioral biases.
4. Have a plan for meeting client/student needs where they are and want to be.

Principle No. 1...

- Financial decision-making is about all of one's life.

Principle No. 2...

- One's societal and family history influences every financial decision today.

Principle No. 3...

- One's LifeValues drives all of their important decisions, consciously or unconsciously.

Principle No. 4...

- One can consciously use their LifeValue system to make better choices and decisions.

Principle No. 5...

- One's LifeValues system is life long.

Life Values System

All Life Values are *Subjective* and consist of what we think and feel about these dimensions of our lives.

- Inner/Personal Values
- Social/Relationship Values
- Physical/Material Values
- Financial/Economic Values

Inner/Personal Values ...

- Safety and Security
- Autonomy and Control
- Identity and Social Identity
- Spirituality and/or sense of purpose

Social Values...

- Family and Friends
- Communities of Interest
 - Employees and Customers
 - Peer Groups, Neighbors
 - Associations, Organizations
 - State, Nation

Physical Values...

1. Internal

- *Health (Physical and Mental), Senses*

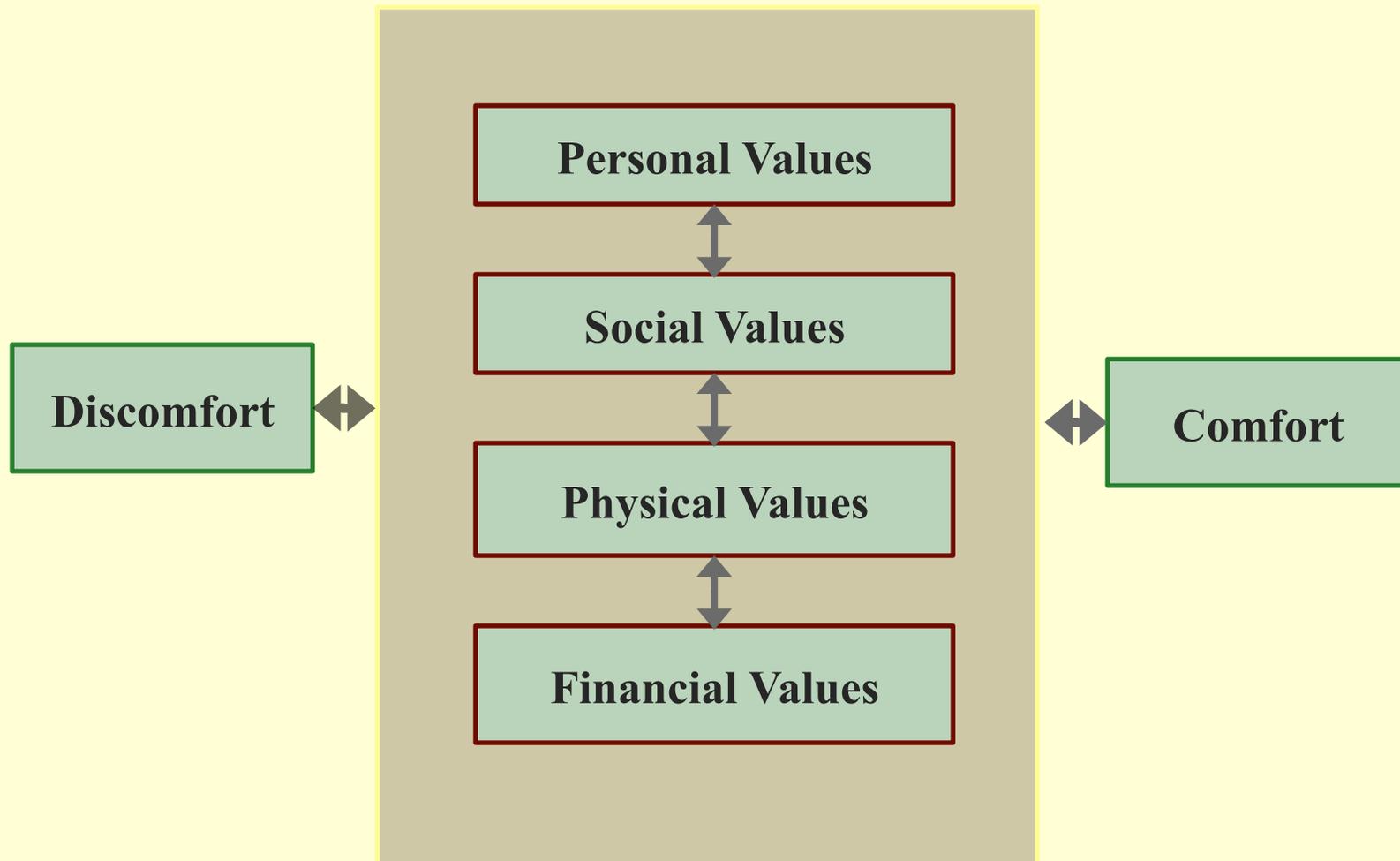
2. External

- *Material*
- *Environmental*

Financial Values...

- Sufficiency
- Sustainability
- Appropriateness

LifeValues Model*



*Source: Lois A. Vitt.

Points to Ponder

- You cannot “negotiate away” your values. You must accommodate them.
- You cannot “negotiate away” another person’s values either. Think about how they were formed and instead try to put yourself in their place.
- You must find a decision solution that accommodates your values as well as those of your staff members and employees.
- Too difficult? Stay tuned by downloading...

Exercise...

Exercises....

Your childhood history

Your LifeValues Profile Quiz:

<http://smartaboutmoney.org/Tools-Resources/LifeValues-Quiz.aspx>

Call to Action

MOTIVATE – Can you incorporate your mission to hold clients/students to high standards of financial and emotional well-being and also show them how to solve concerns that finance their unique LifeValues?

ADVOCATE – Is there sufficient integrated help available to clients/students so they can achieve their personal/social goals? Help bring mental health observations and well-being issues into priorities that deserve attention.

EDUCATE – Help remove the stigmas from financial and well-being issues, so that service members will confidently ask for assistance. Learn to communicate the issues effectively!

Next Virtual Learning Event Webinar

Heuristics, Anchoring & Narrowing Choice

- June 4, 11 a.m. – 1 p.m. ET
- Speaker: Dr. Michael Gutter
- 2 AFC CEUs available
- More information:
[https://learn.extension.org/events/
1555#.U34yKq1dXrU](https://learn.extension.org/events/1555#.U34yKq1dXrU)

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