

Money Worries (and how to beat them)

Key findings from a three-year
research project



World Ranked – Triple Accredited – Award Winning

Project Background

According to research by the Money Advice Service, 65% of debt advice clients feel they need emotional support as well as financial guidance: “Emotional needs include reassurance, encouragement, help with building confidence, overcoming fear and tackling embarrassment.”¹

Emotional resilience during times of financial difficulty is now being given much greater emphasis in the UK’s Financial Capability Strategy². With calls for financial capability to be integrated into debt advice, this project has aimed to provide debt advisors with a resource they can use to help clients develop their emotional resilience while dealing with debt. Over the past three years, the Centre for Decision Research at Leeds University Business School, in partnership with Citizens Advice in Leeds and Bradford, has developed and evaluated a booklet aimed at helping those in debt to manage the emotional impacts debt can have.

Project Stages

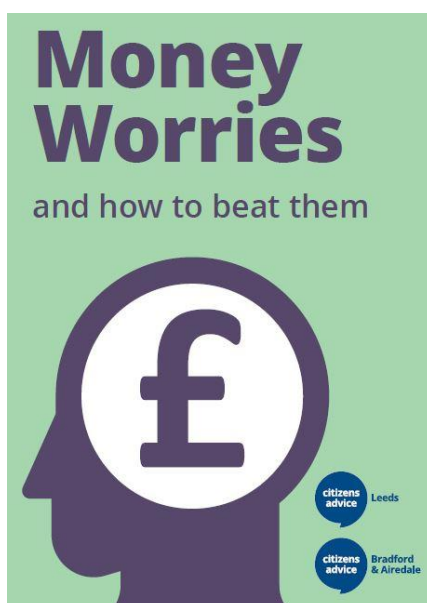
Stage 1 - Interviews with Citizens Advice debt advisors, and debt advice clients

The project began with a series of 20 one-to-one interviews with Citizens Advice debt advisors, and debt advice clients. The aim of these interviews was to learn about the most frequent emotional concerns people have about debt. The major themes identified in these interviews concerned:

1. **Self-conscious emotions** : clients often experience feelings like shame, guilt, and embarrassment at their situation, and worry that others will view them negatively because of their situation.
2. **Stress** : clients experience various symptoms of stress including being unable to concentrate, losing sleep, and feeling agitated.
3. **Self-criticism** : clients often put themselves down and devalue themselves when faced with the task of trying to tackle their debt problem, and may convince themselves that they’re unable to overcome the issue.

Stage 2 - Money Worries booklet design

Based on *Stage 1* findings we designed an advice booklet that aims to help clients recognise and understand the kinds of emotional impacts debt can have, as well as offer advice about how to counteract these impacts. The booklet is split into five sections.



Money Worries and How to Beat Them

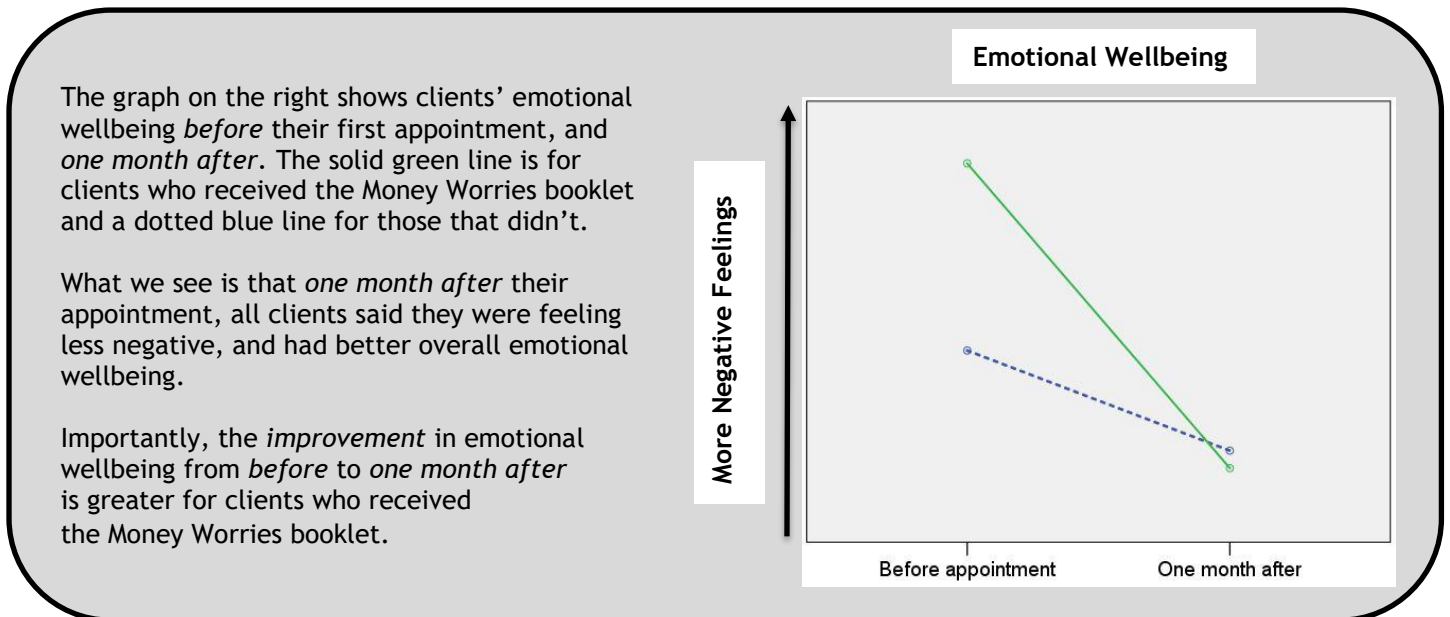
- Sections 1 - Stress** : How to recognize the signs of it, and how to beat stress in the heat of the moment.
- Section 2 - Feeling Self-Conscious** : Differences between shame, guilt, and embarrassment, and how to be kinder to yourself.
- Section 3 - Putting yourself down** : spotting the tricks our minds play, and how to challenge negative thinking.
- Section 4 - Step-by-step** : Taking goals and breaking them down into smaller, manageable steps.
- Section 5 - Keeping check** : Reflecting on progress made, and how it feels to take steps forward.

Stage 3 - Evaluating the Money Worries booklet

The Money Worries booklet was trialled at Citizens Advice in Leeds, and in Bradford in 2018. We gave the Money Worries booklet to half of 80 debt advice clients directly after their first debt advice appointment. All 80 clients had filled out a survey before their appointment that asked about how they had been feeling lately. One month after their appointment, we contacted all clients again and asked them to complete another copy of the survey so we could track changes in how they were feeling.

What we found

Here’s what we found about clients’ emotional wellbeing before, and one month after their debt advice appointment:



This same pattern was found for specific negative emotional issues including **stress, guilt, embarrassment** - clients who received the Money Worries booklet showed greater improvements one month later compared to clients who did not. We did not find this improvement for feelings of shame, or for feelings of putting yourself down.

These kinds of improvements in emotional wellbeing were also seen for how engaged clients said they were with managing their finances a month later: clients receiving the booklet showed stronger improvements in their day-to-day **money management behaviours** such as setting budgets, and tracking their expenditure.

Clients rated their Citizens Advice experiences positively

On average, clients rated their overall debt advice experience as highly-positive with a score of 8 out of 10. We also asked clients to rate from 1 (Not at all) to 10 (Very much) the advice they received at Citizens Advice about the following:

	No booklet received (Avg. Rating out of 10)	Received booklet (Avg. Rating out of 10)
Working out a budget	8	8
Contacting creditors	8	10
Getting a handle on things	8	10
Overcoming self-conscious feelings	8	8
Overcoming self-criticism	8	10
Managing stress	8	8

Recommendations

Based on our findings throughout this three-year project, we make the following suggestions to debt advice agencies:

Recommendation 1 : Rehearsing ahead of the first appointment

Clients feel most self-conscious ahead of their first debt advice appointment, which can put a wall between them and their advisor. **Encourage incoming clients to “mentally rehearse” for their debt advice appointment, to practice answering the kinds of questions they might be expected to answer and, if it helps, to record their answers (written, or audio on a phone for example).**

Recommendation 2 : Understanding how stress affects how we think, and behave

High stress can reduce our mental energy as much as losing a full night’s sleep. This may mean that clients could see relatively simple discussions (e.g. about next steps) as tasks that will be too emotionally overwhelming. **Advisors should gauge how clients feel about next steps, perhaps by asking clients to rate from 1 - 10 how stressful they feel their next steps will be.** For clients giving high ratings, the Money Worries booklet contains detailed advice on how to control stress in the heat of the moment, which may be the difference between a client engaging with a creditor or not.

Recommendation 3 : Encourage clients to keep track of their emotions, as well as their finances

People often fail to appreciate the progress they make. Every step a client takes towards progressing their situation should be reflected on positively. **Encourage clients to reflect on how they feel about the progress they make - did their next steps end up being less worrying in reality than perhaps they had imagined in advance?** Emotional resiliency builds through precisely this sort of reflection. Sections 4 and 5 in the Money Worries booklet contains advice about how to think about next steps, and how to reflect on them.

¹ Adams, Warren, Tindle, Koerbitz, Taylor, & Stewart. (2012). *User Needs from Debt Advice: Individual and Stakeholder Views*.

² See <https://www.fincap.org.uk/en/lifestages/people-financial-difficulties>

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Contact

If you would like more information about this research, or would like to request a copy of the “Money Worries and How to Beat Them” brochure, please contact Simon McNair at si.mcnair@gmail.com



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