
POVERTY AND MENTAL HEALTH: REDUCING SYSTEMIC HARM TO IMPROVE WELLBEING

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SNAPSHOT

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This is a snapshot of a full report -
Poverty and Mental Health: reducing systemic harm to improve wellbeing.

The full report can be accessed via:

www.anglicarewa.org.au/news/povertyandmentalhealth2023



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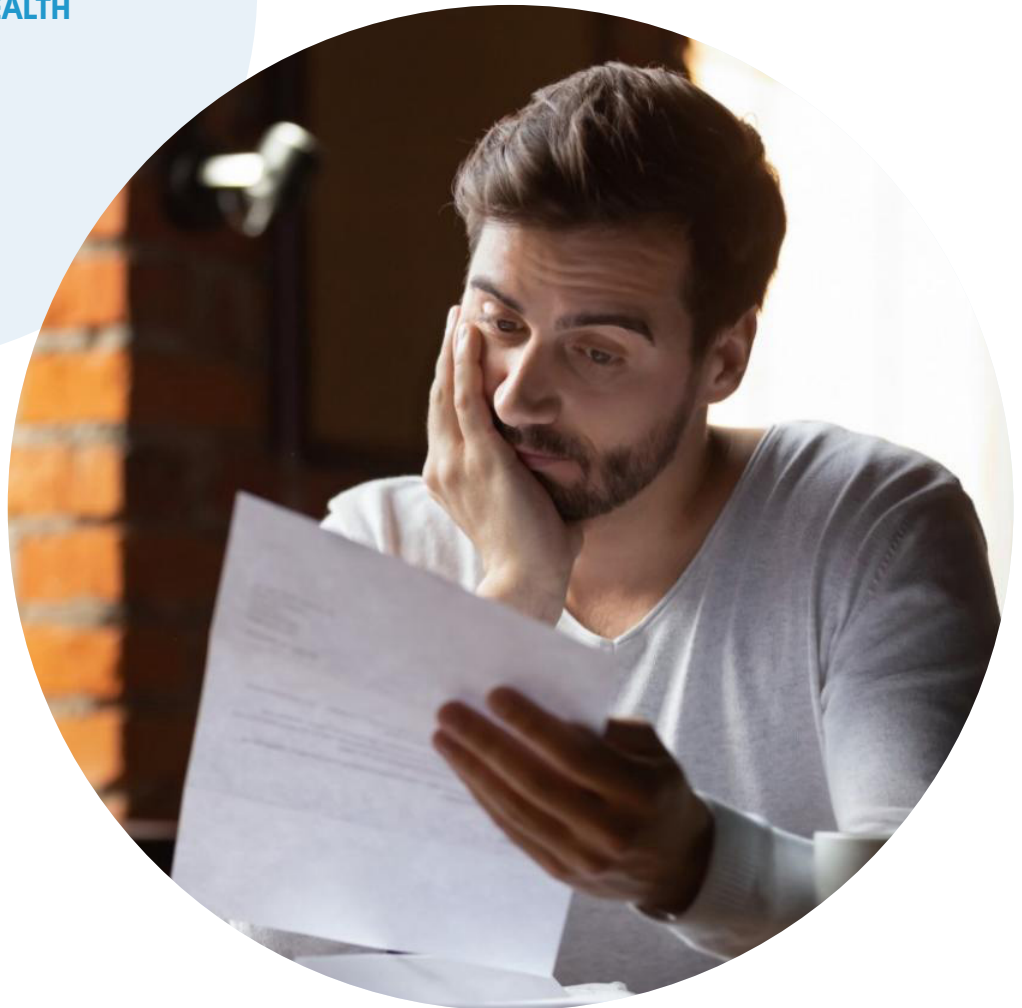
THE LINK BETWEEN POVERTY AND MENTAL HEALTH

Mental wellbeing doesn't exist in isolation and neither does poverty. They are influenced by each other, and by a host of other social, economic and environmental factors.¹

PEOPLE EXPERIENCING FINANCIAL PROBLEMS ARE TWICE AS LIKELY TO EXPERIENCE MENTAL HEALTH CHALLENGES. SIMILARLY, PEOPLE EXPERIENCING MENTAL HEALTH CHALLENGES ARE TWICE AS LIKELY TO EXPERIENCE FINANCIAL TROUBLES.

A bi-directional relationship

Decades of research affirm a causal link between financial difficulties and mental health challenges like anxiety, depression, and suicidal thoughts. Poverty, both material and non-material, contributes to these issues. Unpredictable income, substandard living conditions, inadequate nutrition, poor physical health, exposure to trauma, violence, and social stigma all play a role. Living in poverty hinders access to, and affordability of, essential wellbeing support.² Conversely, poor mental health can impair emotional regulation, decision-making, concentration, and overall productivity, heightening the risk of job loss and limiting employment or education opportunities.



THE PRICE OF INAPPROPRIATE RESPONSES

Our efforts to address poverty and mental health are imperfect, with some policies and practices actually causing harm.

Insufficient income supports that keep people below the poverty line

The current rates of income support sit well below the poverty line, forcing recipients to make difficult choices about rent, food and bills.³ For individuals living with such scarcity, attending to mental health needs often gets relegated to the back seat. The inability to plan, save, afford training and education and otherwise improve the situation breeds social isolation, hopelessness and helplessness.⁴

Inappropriate employment support and burdensome conditions

The excessively burdensome, complex, and punitive mutual obligations associated with the Workforce Australia system place undue hardship on job seekers, leading to increased stress, reduced agency and confidence, and hindering their ability to find and retain work.⁵ Such focus on personal conduct rather than on circumstances shapes perceptions of welfare recipients as being responsible for their situations, subjects them to state surveillance and criticism, and contributes to stigma and isolation. It also ignores underlying structural factors contributing to unemployment and removes accountability for government to address poverty and disadvantage.

Missed opportunities to prevent harm

Many inequities start in early childhood, and early intervention plays a crucial role in redirecting life trajectories. However, extensive waitlists mean that the process of obtaining a diagnosis and appropriate supports can take months, and even years.⁶ Such delays often exacerbate existing concerns. Furthermore, private fees associated with supports outside of the stretched government services make these services totally out of reach of low income families⁷ and accessibility is a particular issue in regional areas. The missed opportunities for prevention and early intervention not only harm individuals, but harm us as a society in the form of increased costs of remediation, social supports for families, mental and physical health treatment, policing and justice services.⁸

Traumatising service system

Mental health, social, and community services are often separate and not well integrated around the needs of the person and their family. These services are often guided by funding, staffing and resource requirements rather than by contemporary trauma informed practice. For instance, funding pressures, lack of appropriate accommodation options, and poor post-release planning can lead to situations where people with unstable mental health are pushed out of a hospital setting into sub-par accommodation or significant housing stress. This exacerbates their mental health challenges and throws them into cycles of repeated crisis. When supported accommodation is available, services such as counselling are only available for the duration of stay, and once clients depart, they lose these supports, causing disruptions in care and compounding trauma.⁹

WHAT CAN BE DONE?

It's crucial for governments and organisations to reshape the narrative around poverty and trauma, and to reimagine a system that holds human dignity at its core.



Recommendation 1: Improve socio-economic equity through adequate income, reduced living costs and housing supports

Adequate income minimises the need to forgo food or healthcare, ask for favours, borrow, or access relief services, which can all undermine self-worth and a sense of wellbeing. Raising the rate of income support is the single biggest action that the Federal government could take to decrease rates of poverty and associated poor mental health outcomes across the country. We saw the positive impact on poverty and wellbeing when rates were lifted, temporarily, in 2020.¹⁰ Additionally, investing in social and affordable housing is paramount. It is time for a national commitment to 'housing first' principles and increasing rent assistance to low-income households.



Recommendation 2: Invest in solutions to deal with entrenched disadvantage and provide people with pathways out of poverty and mental ill-health

People's lives can be complex and messy. One-size-fits-all approaches, or excessive conditions in the employment services sector, fail to meet the multiple needs of those facing sticky barriers that limit opportunities to thriving. Thus, it is essential that we embrace tailored interventions that meet individuals where they stand, and advocate for holistic wellbeing.



Recommendation 3: Embed trauma informed practice and recovery-oriented approaches into all levels of service delivery and policy making

The complex relationship between poverty and mental health means that these issues are everyone's business. We need to take a 'wellbeing in all policies, all departments' approach, recognising mental health straddles across different areas of government responsibility. We also need to embed trauma-informed practices and recovery-oriented approaches in all levels of policy making, funding arrangements and service delivery. These approaches recognise people's strengths, lived experience and values, bringing it together with the expertise, knowledge and skills of practitioners to co-create supports to suit the user.



Recommendation 4: Invest in prevention and early intervention

Research shows that returns from public spending on young children outstrip any other form of human capital investment.¹¹ Therefore, to give our young people and their families the best chance to thrive, we need to ensure universal access to quality, play based early education, and prioritise services such as Child Parent Centres which offer flexible, wrap around care and foster parental capacity building in an environment that is free from stigma.

Ultimately, to reduce poverty and mental ill-health, we must eliminate the reasons for why these conditions exist – and this starts with a close look at our structural and cultural norms, and willingness to question the status quo.

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