

Clients' Financial Issues Are Intertwined with Mental Health

Farmers often face stress related to finances and business management. This includes markets, input prices, family emergencies, and more. These unpredictable events can cause farmers stress that may, at times, seem quite unmanageable. This publication covers the mental health implications of financial stress that agricultural and financial service providers need to know when working with farm families.

Debt and Farming: Links to Mental Health Challenges

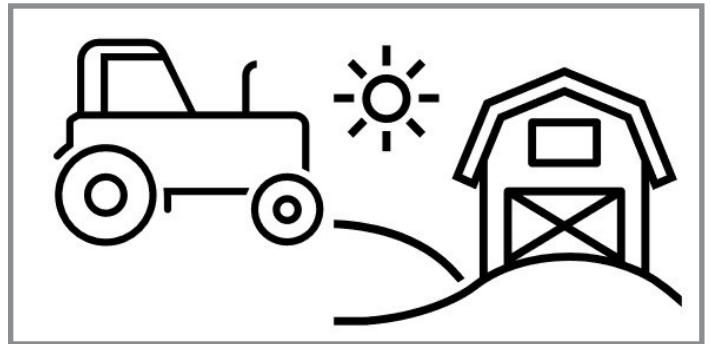
Farm enterprises often carry debt to acquire land, equipment, seeds, fertilizers, feed, or other essential inputs. If market prices at the time of sale do not yield enough revenue to pay this year's debts, the borrowing cycle will continue. According to Richardson's (2013) research review, 78.5% of studies reported that being in debt was related to poor health outcomes.

Financial hardships, including carrying debt, can bring along many health-related concerns such as:

- ▶ Being unable to afford healthcare and certain prescriptions
- ▶ Being unable to attend doctors' appointments
- ▶ Depression
- ▶ Suicide attempts
- ▶ A variety of other mental health-related issues

Financial Difficulties and Relationship Struggles

Researchers from the University of Minnesota found that financial difficulties impact how we communicate with others in the home (Danes & Morgan, 2004). These difficulties increase the stress individuals may feel and make navigating home-life more challenging. Ascigil et al. (2020) revealed that a greater number of recession



adversities, such as unemployment, increased debt, and loss of a home, lead to an increase in marital disagreements, ultimately resulting in poorer mental health. Bulanda et al. (2016) found that both men and women experience physical health deterioration due to low marital quality and divorce. Furthermore, farm enterprises often involve family members, who simultaneously experience the strain of the family business' financial ups and downs.

In an older study, Johnson & Booth (1990) found that economic hardship in farm families recurs as a process. However, more current research by Baek & DeVaney (2010) suggests that families who have endured economic hardship tend to act rationally when considering their economic future based on risk factors. While families strive to rebuild economically after hardship, this process can be time-consuming (Baek & DeVaney, 2010). Economic prospects wax and wane, so it is reasonable to expect similar outcomes during more recent downturns. In the 1980s, a downturn in agriculture significantly affected the marital quality of farming couples, with financially distressed farmers being more prone to contemplate divorce. These findings suggest that interventions for economically distressed farm families should prioritize strengthening marital relationships. Therefore, **agricultural service providers, especially those involved in lending and insurance, should seek out and network with local therapists who practice**

couples and family therapy. Enhancing connections between mental health care and other professionals will help support farm families address the full impact of economic stressors on farm and family functioning.

Financial Strain, Self-injury, and Suicide Risk

Farm communities are familiar with the phrase, “it’s constantly something!” Unpredictable weather, reductions in market prices, unexpected losses – these financial stressors can potentially occur repeatedly and contribute to a sense of helplessness or hopelessness. Agricultural service providers, especially in the financial sector, would be well-advised to be ready with support and resources for those who have experienced a significant financial setback. The farming population has two to three times the suicide rate of the general population. Despite the unpredictability inherent in farming, farmers may also resort to self-blame when financial struggles arise. Self-blame is one of the strongest predictors of suicide risk in the farming population (Bjornestad et al., 2021). Researchers have found that consistent financial strain is often the “last straw” for those who engage in self-harm (Barnes et al., 2016). Not being able to pay bills on time, worrying about how to repay creditors, or even worrying about housing could potentially keep someone up at night, and

ultimately bring them to their lowest low. Those who are struggling may benefit from the reminder that *your mental health matters, and you matter*. **Furthermore, mental health professionals encourage agricultural service providers to seek training that specifically addresses suicide prevention.** Examples include *Mental Health First Aid* and *Question, Persuade, Refer*.

Extension systems, including University of Maryland Extension, often provide these trainings at low or no cost to the consumer. Local Extension offices will be able to provide more information on availability of these classes.

Being a farmer and even a member of a farm family offers unique rewards and risks. Fortunately, there are some actions that those struggling with financial stress can take to lessen their stress and live a comfortable life. Following are some tips to manage financial stress that can be shared with farm families as well as resources for those seeking financial guidance.

Useful Links to Share with Clientele on Farm Finance

When working with farm families, service providers may find it useful to share these links as part of the resources they offer.

- ▶ Webinar Series on Financial Risk Management: <https://extension.umd.edu/resource/women-agriculture-webinar-series-risk-management-finance>

Tips To Share With Farmers

- ▶ **Create a list of personal and financial goals:**
 - Use the “Specific, Measurable, Attainable, Realistic, and Timely (SMART)” technique when developing the list
 - ◊ Example – SMART Marketing: <https://extension.umd.edu/resource/can-smart-ever-be-dumb>
 - The list will provide direction and determine the enterprise’s next steps.
- ▶ **Create budgets for the household and for the farm:**
 - Budgets track where income and expenses are going
 - ◊ Budgets identify where spending could be reduced in the household or where contracts could be renegotiated on the farm.
 - Field Crop Budgets template: <https://extension.umd.edu/resource/field-crop-budgets>
- ▶ **Manage farm financial statements:**
 - A properly managed balance sheet is essential for lending and measures your net worth.
 - ◊ Creating a cash flow statement helps project times of the year when it may be difficult to meet debts.
- ▶ **Meet with your lender:**
 - If you have financial concerns, meet with your lender right away. Do not wait until the situation is worse.
 - ◊ Explore options, programs, and rates.
- ▶ **Connect with resources available:**
 - Reach out to your trusted advisors for options and different perspectives.

- ▶ Funding your Farm Business: <https://extension.umd.edu/resource/traditional-sources>
- ▶ Custom Work Charges in Maryland: <https://extension.umd.edu/resource/custom-work-charges-maryland>
- ▶ Health Insurance Options for Farmers: https://extension.umd.edu/sites/extension.umd.edu/files/2021-03/Farm-operations-and-health-care-insurance-final_3.pdf

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