Financial Victimization of Adults With Severe Mental Illness

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<u>*Objective:*</u> People with severe mental illness are vulnerable to having other people directly take or misappropriate their disability payments. This study investigated the prevalence of different types of financial victimization and the client characteristics associated with being financially victimized. <u>*Methods:*</u> Adults (N=122) receiving inpatient or intensive outpatient psychiatric treatment who received Social Security disability payments completed assessments about money management and victimization. A path model was used to estimate the association of victimization with participant characteristics. <u>*Results:*</u> Seventy percent of participants experienced at least one type of financial victimization in the preceding 28 days; 35% ran out of money because of victimization. Victimization was significantly associated with being younger, having had more psychiatric hospitalizations, having more recent alcohol use, and, most robustly, having problems managing money (β=.52, $p<.01$). <u>*Conclusions:*</u> Financial victimization of disability recipients in acute care settings is common and more likely among people with recent substance use and difficulty managing their funds. **(*Psychiatric Services* 64:918–920, 2013; doi: 10.1176/appi.ps.005882012)**

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Compared with the general population, people with mental illness are at higher risk of being victimized by crime. In one large survey, individuals with severe mental illness were 11.8 times more likely than the general population to be victims of violent crime and 140 times more likely to have their property stolen (1). People with mental illness are disproportionately homeless and often have a co-occurring substance use disorder (2); these factors have been positively associated with victimization (3). Individuals with severe mental illness often have cognitive and social impairments that lead them to socialize with predatory individuals who mistreat them (3).

Although financial victimization of people with severe mental illness has received little formal study, the difficulties that many have tracking and managing their money are well documented. Several studies have measured the financial capacities of people with severe mental illness as part of broader assessments of overall functioning. One study found that compared with persons without severe mental illness, adults with severe mental illness had more difficulty counting out specified amounts of money using coins and bills and correctly making out a check to pay a bill (4). In another study, 42% of individuals with severe mental illness who had representative payees could not write checks, 75% could not balance checkbooks, and 21% could not make change (5). To understand financial victimization of people with severe mental illness, we determined the incidence of clients' self-reported victimization among individuals in an acute care setting and assessed which client characteristics were associated with recent victimization.

Methods

The study was approved by Yale's Human Investigation Committee and was conducted from February 2011 to August 2012. This convenience sample of adults was recruited from an inpatient psychiatric unit and two intensive outpatient programs located in small cities. To participate, individuals had to be receiving Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) payments totaling more than $600 a month, not have a conservator or representative payee managing their money, and have a current or past *DSM-IV* substance use diagnosis other than nicotine dependence.

After providing written informed consent, participants completed questionnaires assessing demographic characteristics, homelessness, psychiatric illness severity, substance abuse, legal history, money management status, treatment history, and financial victimization. Clients' self-reported financial victimization was measured by the Money Mismanagement Questionnaire (M3), a 28-item self-report questionnaire (6). In two clinical populations, factor analysis of the M3 revealed two distinct factors: problems managing money and financial victimization (6). The "problems managing money" scale items assess respondents' functional difficulties in protecting funds, paying bills, keeping track of funds, budgeting, and meeting basic needs. The 13 financial victimization subscale items rate being persuaded by others to use money in ways the victim does not want and others' taking or using the victim's money or resources in ways not agreed upon by the victim (6). Victimization items are rated on a 0–2 scale indicating no, one, or more than one occurrence in the past month. Items are summed to create a composite measure of victimization (6).

The overall rate of occurrence of financial victimization for this sample was calculated as the percentage of participants endorsing any item in the financial victimization subscale.

A path model was estimated in Mplus 6.1 (7), which tested the effect of the following variables on (log-transformed) self-reported financial victimization: age, gender, number of lifetime psychiatric hospitalizations, and, for the past 28 days, the number of days of alcohol use to intoxication, of illicit substance use, of homelessness, and of problems managing money. Nonsignificant paths were trimmed from the model.

Table 1

Self-reported victimization among 122 adults with severe mental illness who were receiving disability payments

Item[a]	N	%
Did someone owe you money that you had trouble getting back?	37	30
Has anyone borrowed anything from you and not given it back when they were supposed to?	33	27
Has anyone persuaded you to give them money when you really didn't want to?	31	25
Have you felt cheated after someone sold you something?	24	20
Has anyone taken anything from you without your permission?	24	20
Have family members or friends persuaded you to use your money in a way you didn't want to?	21	17
Has anyone persuaded you to give them your personal property when you didn't want to?	15	12
Has anyone persuaded you to buy drugs when you didn't want to?	13	11
Has anyone persuaded you to buy alcohol when you didn't want to?	12	10
Has anyone persuaded you to give them food when you really didn't want to?	10	8
Have you had anyone visit your apartment or stay with you when you did not want them there?	7	6
Has anyone persuaded you to gamble when you didn't want to?	2	2
Have you run out of money before you were scheduled to get more for any of the above reasons?	43	35

[a] Respondents considered experiences over the past 28 days.

Results

The sample (N=122) was 44% male (N=54) with a mean±SD age of 46.0±10.4 years and 12.1±3.03 years of education. Participants were primarily Caucasian (N=71, 58%), African American (N=32, 26%), and Hispanic (N=17, 14%) and received SSDI (N=90, 74%), SSI (N=41, 34%), or both. Psychiatric diagnoses included mood disorders without psychotic features (N=76, 62%), psychotic disorders (N=35, 29%), and personality disorder (N=35, 29%). Within the past 28 days, 16% (N=20) of participants had drunk alcohol to intoxication, 37% (N=45) had used illicit drugs, 14% (N=17) had been homeless, and 36% (N=44) had spent time in a controlled environment (such as a jail or psychiatric hospital).

Overall, 85 of 122 (70%) participants reported financial victimization in the past 28 days (Table 1), with a wide variety of items endorsed. The median score on the victimization subscale was 2.00±3.45 (range 0–24). Victimization occurred more frequently for participants who were younger (β=–.17, p=.02), had more frequent psychiatric hospitalizations (β=.13, p=.08), or used alcohol more in the past 28 days (β=.17, p=.02) and, most robustly, for people who had problems managing their money (β=.52, p<.01). Use of illicit drugs in the past 28 days was indirectly related to victimization through its association with money management problems (β=.15, p=.09). Self-reported victimization did not differ significantly by gender or homelessness. Model fit indices indicated good model fit (χ^2=3.85, df= 8, ns; root mean square error of approximation <.05, p=.94; comparative fit index >.95). [A path analysis with standardized estimates is available online as a data supplement to this report.]

Discussion

The financial victimization items (Table 1) that were most prevalent in this sample related to others' exploitative borrowing or taking of money or possessions from participants. These transactions appeared to be problematic because approximately one-third of respondents reported running out of money as a result of financial victimization, a situation significantly associated with having no money for transportation, arguing with others about money, and having to use a food bank or soup kitchen. Arguably, the study participants, who earned very low incomes primarily from disability checks, did not have the means to make loans, give other people money, or make the purchases inquired about on the M3. Earnings versus cost of living allowed little margin for financial error. Nevertheless, it is possible that the attribution of running out of money because of such transactions overstates the transactions' perniciousness; voluntary sharing and "in kind" transfers are common among people in financial distress (8).

The path analysis results lend support to the interpretation that the endorsed items reflect financial victimization and not just the respondent's opinions. Self-reported victimization was associated with a number of indicators suggesting more impairment. Model results are consistent with a report from Conrad and colleagues (6) that financial victimization was rare among people who did not already have difficulty managing their money. Fortunately, one's money management skills are modifiable with appropriate intervention (9). The associations between substance use and victimization suggest a complex relationship among these variables; whereas substance users may victimize others for financial gain or access to drugs, individuals with disabilities who use substances are also vulnerable to being victims of such crime.

The results indicated that individuals with severe mental illness are at high risk of experiencing harmful financial victimization and suggest that this is an area requiring attention from clinicians and supportive others. Clinicians might need to solicit information about financial victimization from participants by making it a part of their routine assessments, because, like other forms of victimization (10), financial victimization likely occurs more often than clinicians are aware. Interventions to address the diversion of client funds might include advice (9), voluntary management of a patient's funds (11), or assignment of a representative payee.

Conclusions

Participants with severe mental illness had a higher incidence of financial victimization. Problems managing money had the strongest association with being financially victimized. Victimization also was associated with recent substance use, number of psychiatric hospitalizations, and age. The results suggest the utility of routine assessment for financial victimization.

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The authors report no competing interests.

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