



Mental Health Best Practices: A Proactive Guide for Financial Advisors

By Dr. Frank Murtha

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All investors go through emotional ups and downs. But how do you know when a client is suffering from something more serious, such as significant, even clinically elevated, mental health issues? According to Mental Health America, “nearly one in five American adults will have a diagnosable mental health condition in any given year.”¹ For many financial advisors, their clients’ mental health has become more important.

A recent survey by Brandes’ affiliate in Canada, Bridgehouse Asset Managers, found that “92% of FAs are seeing anxiety, dementia, Alzheimer’s, depression, gambling, substance abuse and medication impairment affect their clients’ decisions” and 83% “want accredited skills training on how to support vulnerable clients who face mental health challenges.”

The purpose of such skills training is not to turn financial advisors into therapists, but to help them identify when a client’s typical emotions or behaviors have become something more serious—and then guide the client to help.

Here are three *Mental Health Best Practices* advisors can use to address mental health issues with their clients.

- 1) Build a referral network.** FAs typically have a network of related professionals (e.g., accountants, lawyers, real estate/mortgage professionals) to whom they can direct clients when need arises. Add to that network a list of mental health resources. Specifically, add licensed professionals in the following fields: a general psychotherapist; a couples/family therapist; and an addiction specialist. If you do not have connections to professionals in these fields, a great place to start is to contact the American Psychological Association (APA) and ask for a list of competent, licensed counselors in your area.
- 2) Know the key questions.** FAs are financial professionals, not clinical diagnosticians. There are, however, some simple questions that can provide insight into how serious the client’s issues may be, and whether a referral is in order. This list is neither exhaustive, nor determinative. But it covers important criteria that are relatively easy to assess in normal

conversations and apply to a number of common mental health disorders. When clients indicate they are feeling down, or anxious, here are five follow-up questions to ask:

- i) **How long have you been feeling this way?** If the answer is a short period of time (e.g., the last day or so) it is worth monitoring. If the answer is more than two weeks, that may signal something significant. The two-week mark is used as a criterion for a number of mental health disorders.
- ii) **How much of the day do you feel this way?** If the client indicates they experience these negative feelings for most of the day, that is noteworthy. Clinical mental health issues often are differentiated by the percentage of time one experiences them.
- iii) **How are you sleeping at night and how are you eating?** Significant mental health issues often manifest themselves in problems with sleeping and eating behaviors. It is also relatively easy to ask how people are sleeping and whether they are “eating healthy.”
- iv) **How’s your energy level?** Mental health issues are not only painful, they are often debilitating. If the client indicates they have been sluggish or fatigued for an extended period of time, that may be important.
- v) **Is the way you’re feeling affecting your performance at work?** This question is less a specific diagnostic criterion and more an indicator of how much their mental health is impacting their lives. When feelings become powerful and pervasive enough to affect work performance, it may indicate meaningful problems.

When in doubt, raise the issue of “talking to someone” and consider offering them a referral. It shows you care and reflects responsibility. Be sure to document all such actions in your notes.

3) Factor in stress and consider the Holmes-Rahe Stress Scale. In 1967, a pair of psychiatrists (Thomas Holmes and Richard Rahe) developed a scale that assigns point values to stress-causing events in a person’s life (e.g., relationship, employment, and medical events) and the likelihood they will lead to mental health disorders. It is not a perfectly scientific assessment instrument, but it has the virtues of being simple, easy, and widely used as a measure of stress level.

Contact us for a copy of the Holmes-Rahe questionnaire and take some time to apply it to the lives of your clients. If a client is experiencing a number of these life events and the cumulative point total reaches a certain threshold (e.g., 300), it may offer insights on your client’s mental health status.

Clients with mental health issues likely are unavoidable for financial advisors. Employing these three Mental Health Best Practices will help put FAs in a better position to understand their clients’ mental health status and respond accordingly.

¹ Mental Health America, 2022. “Results from the 2017 National Survey on Drug Use and Health,” Sep 7, 2018, Substance Abuse and Mental Health Services Administration. <https://mhanational.org/mentalhealthfacts>

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