New Jersey in 2008:

Bankruptcies jump 35 percent

One out of every 200 New Jersey families faces risk of home loss

Half of Foreclosures due to Job Loss

NJ unemployment rate reaches five year high; 27,000 lose jobs

The statistics are staggering. But, the emotional impact of these financial crises cannot be measured in pure numbers. What happens to the man who loses his job, his home, his life savings...his dreams? The answer can be found in the harrowing stories we read in the papers or in the emergency rooms of the nation’s hospitals.
Battered Souls

Around the nation, the tragic toll of the financial crisis is found in a multitude of stories of loss.

A 45-year-old money manager in California loses his job and fortune in the stock decline. He fatally shoots his wife, three sons and his mother-in-law before killing himself.

A 90-year-old Ohio widow shoots herself in the chest as authorities arrive to evict her from her home.

In Massachusetts, a housewife who had hidden her family’s mounting financial crisis from her husband sends a note to the mortgage company warning: “By the time you foreclose on my house, I’ll be dead.”

In New Jersey, there have been similar, although less tragic stories.

A distraught 60-year-old man threatens sheriff’s officers with a gun when they come to evict his 88-year-old mother from her Bergen County home. After a five minute standoff, he surrenders without anyone being injured.

Neglected by his mother, 12-year-old Danny has lived with his grandparents since infancy. Diagnosed with bipolar and attention deficit disorders, the boy meets with a child psychiatrist to learn to cope with his emotional pain. But now, Danny’s grandfather has been laid off from his auto dealership job and they have lost their home to foreclosure. Living in a motel, the grandfather, who has worked all his life, feels anger and frustration about having to turn to food stamps and welfare. Danny faces the struggle of insufficient food and the loss of his childhood home.
Where can the jobless, homeless, and hopeless go to weather the emotional storm that can accompany the financial crisis in their lives? Where can they find the strength to keep their families together, develop solutions and eventually return to work? Where can they go to get the support they need to regain trust and optimism?

In New Jersey, thousands turn to non-profit community mental health organizations, which turn no one away due to their inability to pay. These organizations serve more than 400,000 adults and children with mental illnesses and substance abuse and behavioral disorders every year. They provide a broad range of services, including crisis intervention, inpatient and outpatient treatment, and housing, employment and outreach services. They are there for those most in need of mental health services.

Studies have shown that personal economic crisis can be devastating to the mental well being of those affected, prompting much higher rates of depression and anxiety, as well as substance abuse. For those already diagnosed with a mental illness, the stressors of losing a job or home can trigger a relapse of symptoms and a major setback on the road to recovery.

And for individuals who have never accessed mental health and substance abuse services in the past, the current financial upheaval can create such stress that they now need help for the first time.

The World Health Organization (WHO) predicts an increase in mental health problems and suicides around the globe due to the financial crisis and has called on governments to make mental health care a vital part of primary health care. Across the nation, as the economy spirals downward, demand for mental health services skyrockets. In New Jersey, the story is the same. Some crisis services reported 20 percent increases in demand. For one crisis unit, the need for outreach services has increased 70 percent.
Where can providers find the resources to meet this increasing demand? Over the last decade, inflation has far outpaced the Cost of Providing Care (COPC) increases providers have received. While community providers have grappled with business costs that have risen more than 32 percent over the last 10 years, the COPC increases in that time period were less than half that amount -- 15.5 percent. Last year’s budget offered no increase at all. While gas prices have fallen recently, insurance premiums and other business expenditures continue to skyrocket, leaving mental healthcare providers without the resources to keep up with inflation costs and pay adequate wages.

Non-profit community mental healthcare providers must rely heavily on donations to help fill the financial gap left by inadequate funding. But, the economy also threatens the resources of these funding sources. Private and corporate giving is drying up, as it has elsewhere in the non-profit sector. Community providers have experienced dramatic drops in donations, with some fundraisers already bringing in 25 to 30 percent less than last year... and it is predicted that the worst is yet to come. And with the loss of jobs, insurance and savings, fewer people are able to help pay for their mental healthcare services.

As resources decline and demand swells, these essential community organizations are increasingly unable to provide the necessary services. Those in crisis find themselves waiting in emergency rooms and non-psychiatric hospital floors, unable to access the care they need. Most patients find themselves waiting several days and it is not unusual for someone in crisis to have to wait a week for a transfer to the appropriate setting. In some instances, individuals had to wait 17 days or longer.

Meanwhile, waits for an outpatient appointment with a counselor drag on for weeks and months as the need for services far outpaces the number of available therapists. It doesn’t make fiscal sense to wait until a person reaches the crisis stage before offering help, as treatment in an emergency room is far more expensive than providing services in a community setting. Waiting for a crisis to strike is costly both in dollars and lives.
Despite budget concerns, it is critical that government maintain its support for these vulnerable citizens. Just as New Jersey would not cut back on food pantries or unemployment checks during this economic crunch, the state must not turn its back on the mental health of its citizens just when the need is greatest. Those who have lost jobs and homes need their mental health to battle back to a stable financial footing.

Evidence has demonstrated that the funds invested in mental health reap enormous returns. According to data from the National Institute of Mental Health, untreated mental illness annually costs $193 billion in lost earnings – translating into $5.6 BILLION in lost earnings in New Jersey each year. Those resources that could be used to pay for mortgages, education, insurance and taxes.

Add the billions more that the state spends annually on the criminal justice system, shelters, dysfunctional families, hospitalizations, institutions, disability payments, medical illnesses and unemployment benefits because individuals cannot access the mental health treatment they need on a timely basis.

New Jersey could save a minimum of $9 billion by the year 2013 with appropriate preventive treatment for mental illness and other chronic diseases.

Contrast the annual cost of an individual in a state institution at $135,000 with efficient and effective community care that costs a fraction of that amount. The State of New Jersey saves billions of dollars every year by its ability to serve individuals with mental illnesses in the community rather than in psychiatric institutions. If the state were to still house 20,000 individuals in institutions as it did 40 years ago, New Jersey would spend $2.7 billion annually on psychiatric institutions.

Additionally, community mental health-care providers are a critical part of New Jersey’s workforce. The 125 members of the New Jersey Association of Mental Health Agencies, including dozens of hospitals, employ approximately 85,000 workers. These dedicated employees earn as much as 40 percent less than their counterparts in state government, yet they pour billions into the state’s economy through taxes, services and expenditures.
Multiply that impact by the important role mental health-care workers play in helping individuals with mental illnesses become productive, employed members of their communities. Hear the words of Cyndy, who had lost her children and her home and nearly lost her life when she tried to commit suicide. She obtained treatment for her addictions and mental illness and today is employed as a peer specialist at Journey to Wellness, a self-help center in Barnegat.

“I was homeless and went through crisis. I was put on General Assistance and Medicaid...I lost it all, including my children, and now they’re back in my life. I’m going to be able to watch my grandchildren grow up. I actually think I would’ve been dead if I didn’t have the services because when I got into crisis, I tried to commit suicide and somebody intervened and took me into their arms and wouldn’t let me go. I can’t imagine not having these services in place.”

New Jersey invested in Cyndy, a broken and lost woman, and gained a productive, compassionate mother and worker who is now helping others make the journey back to wellness. The state is saving on Medicaid and General Assistance and realizing the financial benefits of a motivated, tax-paying, and contributing citizen.

While the state struggles with a blistering economy, it must make mental health a priority, recognizing that investment in mental health treatment and services earns a return many times over. Through careful evaluation and working in partnership, state officials, consumers and providers can focus on ensuring that resources are used most effectively and efficiently and focused on improving treatment and services for consumers.

Most importantly, we must value the return on the investment in the lives of New Jersey’s adults and children. We must ensure that those in greatest need during this economic crisis—the depressed mother at risk of homelessness, the anxious child worried about his family’s future, and the father devastated by the loss of his job and his savings—can access the treatment and services they need to regain their mental health and hope.

“I actually think I would’ve been dead if I didn’t have the services”
– Cyndy Walters
125 non-profit community based mental healthcare agencies. Utilizing a variety of funding sources, these agencies employ thousands of dedicated and compassionate employees who serve 400,000 adults and children throughout New Jersey each year. These organizations provide an array of services to assist individuals with mental illnesses and behavioral health problems and their families. Housing, employment, substance abuse treatment, counseling, coping strategies, and foster services are only a few of the many programs designed to help individuals with mental illnesses recover.

For more than half a century, NJAMHA has been a tireless advocate for the one in five persons who has a mental illness and remains committed to improving their lives and recovery.

These stories are the real case histories of individuals helped by New Jersey’s community mental health system. In some instances, names have been changed and representative photographs have been used to protect confidentiality.