

The Mental Toll of Money Stress & How to Support Your Account Holders

By Fred Stapleton

It's been a turbulent few years, beginning with the pandemic and followed by persistent inflation, rising housing costs, and uncertainty surrounding economic policy. In the U.S., [77% of adults experience financial anxiety](#), and 58% feel like money controls their lives. [More than one-third](#) of adults say financial problems have directly affected their mental health.

Left unchecked, feeling financially squeezed can escalate into depression, anxiety or avoidance behaviors that make the problems worse. Long-term financial strain has also been associated with higher cortisol levels, [fatigue](#) and an increased risk of cardiovascular disease, along with other physical concerns.

The link between personal finances and emotional well-being is undeniable. With that in mind, community financial institutions have an opportunity to offer responsible support that helps reduce financial stress and better serve the people who rely on them. With the right approach, they can help account holders ease anxiety and regain a sense of stability.

How Financial Institutions Can Help

When people are under financial pressure, they may lose confidence in their institution if they feel judged or overlooked. Empathy and proactive support serve both human and business needs, strengthening relationships and building long-term loyalty. Account holders who feel understood during difficult periods are more likely to stay and more willing to explore additional products and services later.

Community banks start with a natural advantage over larger or online-only institutions because they are integrated into the communities they serve. They are not distant or anonymous organizations; they are staffed by people who often know their account holders personally and genuinely want to help. That proximity and trust provide a foundation for easing financial stress in meaningful ways. Here are some ways to put that advantage to work.

- **Proactive financial education**

A [2025 PYMNTS study](#) found that 65% of U.S. adults live paycheck to paycheck, leaving little room for unexpected expenses. To address this stress, financial institutions can offer financial wellness workshops, budgeting tools, digital courses, and personalized guidance to help account holders manage debt, build savings, and plan ahead.

They can also expand this support by incorporating digital tools such as credit monitoring, score simulators, and financial management dashboards within online and mobile banking. These resources help account holders understand how day-to-day decisions affect their financial health in real time. One recent study found that [47% of users of a financial wellness platform reported lower financial stress](#), highlighting how education can replace anxiety with assurance.

- **Fair and responsible liquidity options**

When cash flow is tight, many consumers make short-term decisions that can cause long-term harm, like turning to payday lenders, pawn shops or high-interest credit cards. One-third of those living paycheck to paycheck have [skipped or partially paid](#) a bill, risking late fees, loss of service or damaged credit.

Community banks can offer a safer alternative by providing fair, transparent liquidity solutions. Services like [overdraft protection](#) and [short-term, small-dollar loans](#) provide access to much-needed funds without excessive fees or predatory terms. When these services use dynamic limits tied to an account holder's ability to repay, they create helpful breathing room while reinforcing healthy financial habits and building trust over time.

Personalized communication and engagement

Money stress is deeply personal, and support should reflect that. By using [data, analytics and segmentation](#), financial institutions can tailor communication to specific behaviors and needs. They can send alerts for spending spikes, offer encouragement when savings grow or share tips when patterns suggest strain. These timely, relevant touchpoints reassure account holders that their institution is paying attention and ready to help.

A [2025 FICO](#) survey found that 88% of consumers consider experience just as important as a financial institution's products and services. Personalized engagement can improve the customer experience and solidify the financial institution as a trusted partner.

- **Normalizing conversations about money stress**

Despite being a leading source of stress for so many, money remains one of the [hardest topics to discuss](#). Only a little more than half of adults say they feel comfortable discussing it, and nearly half feel embarrassed sharing details about their financial situation.

Community financial institutions can play a role in shifting this mindset. By acknowledging financial stress openly and without judgment through blogs, newsletters, social media, events, or webinars, they make the topic easier to approach. Honest, empathetic communication builds trust and encourages people to seek help before problems escalate.

Building Account Holder Trust with Empathy

Consumers today want more than low fees when choosing their financial institution. They want a partner they can trust, especially when stress is high. Financial health is closely tied to emotional health, and institutions that recognize this connection and lead with empathy stand out as true allies in their account holders' lives.

By pairing empathy with education, technology, meaningful services, and personalized support, community institutions can honor their commitment to the people they serve, help lighten the emotional weight of financial stress, and strengthen the relationships that matter most. Check out our [on-demand webinar](#) and explore how community financial institutions can strengthen customer relationships and make a measurable difference.

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With over 25 years of experience in banking and fintech, Fred brings a deep understanding of financial services and customer relationship management. As VP of Relationship Management at CSI, he has consistently delivered results by building and guiding high-performing, nationwide teams focused on servicing and retaining customers. His passion lies in driving excellence, fostering long-term client partnerships, and navigating complex challenges.

