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Ethical Resistance to Economic Stress

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Notwithstanding strong professional training and commitment to law, ethics, and standards, many psychologists feel under siege from current economic conditions. Consequently, for some practitioners, their decision-making becomes faulty and their professional performance suffers. The stress of coping with negative financial conditions must not be allowed to lead to conduct that violates the law or professional ethics and standards.

In the context of providing legal counsel to psychologists, I have recently had a steady stream of reports by well-established psychologists of declining incomes and referrals. It is likely that some potential service users (i.e., clients or patients) are hesitant to incur expenses for psychological services, even though the economic problems seem to create a great need for such professional services. In addition, certain third-party payment sources continue to reduce reimbursements. In the meantime, psychologists are experiencing a rise in overhead expenses and more competition (particularly from practitioners in the other mental health disciplines) in the marketplace.

On the home front, psychologists, like anyone else, are subject to the vicissitudes of the economy. Along with income issues, they are suffering precipitous drops in home values, plunging retirement funds and other investments, and a climbing cost of living. According to a host of polls, society as a whole (and, again, psychologists are no exception) are in a mode of “drawing the wagons in a circle” to counteract the economic onslaught.

When about forty Florida psychologists were asked, “Compared to a year ago, is your income and client flow about the same, more, or less,” the large majority answered “less.” Of the remainder, only a few said that things were better. This is, of course, a nonscientific poll, and the responses should only be considered informal feedback.

Coping Strategies

It seems apparent that psychologists are having significant financial concerns. There have been multiple reports of: dropping memberships in professional associations, not attending professional conferences; reducing office space; terminating support staff; disbanding group practices; and experiencing a foreclosure or personal bankruptcy. In addition to “downsizing,” preferred coping strategies seem to be: obtaining a salaried

position (with admittedly modest pay but with guaranteed health and retirement benefits); getting a second job (typically unrelated to mental health services); and early retirement (which often involves moving to another state with a lower cost of living).

Impairment Due to the Economy

Under great stress and in desperation, some practitioners have confessed that economic factors have led them to resort to actions that are decidedly improper and illegal. It should go without saying that making a conscious decision to violate the law, ethics, or standards for personal financial gain is unabashedly wrong. For example, a psychologist acknowledged not paying appropriate taxes, saying: “If I had to pay taxes on all of my income, I couldn’t stay in business, I have kids in college.” Aside from the potential and severe legal consequences of such conduct, ethics specify: “Psychologists seek to promote accuracy, honesty and truthfulness in . . . the practice of psychology” (Principle C: Integrity, p. 1062).

Regrettably, there have been fraudulent billings for sessions that did not occur (even under the best of circumstances, billing for “missed sessions” is problematic). Regardless of the situation, the psychologist must have fee practices that are consistent with the law and there can be no misrepresentation of fees (see standard 6.04 Fees and Financial Arrangements, p. 1068). Dire economic straits cannot be allowed to dilute financial efficiency and honesty.

If the financial stress impairs professional judgment, services should be terminated to safeguard the service user (and the psychologist should seek professional help). Standard 10.10 Terminating Therapy provides that termination is potentially appropriate “when it becomes reasonably clear that the client/patient . . . is being harmed by continue service” (p. 1073). Impaired judgment can potentially harm all concerned, including the service user, the psychologist, and society.

Psychologists must consistently honor the following ethical standard: “Psychologists refrain from initiating activity when they know or should know that there is a substantial likelihood that their personal problems will prevent them from performing their work-related activities in a competent manner” (Standard 2.06 Personal Problems and Conflicts, p. 1064). If financial stress impairs judgment and competency, psychologists should, perhaps with consultation from a trusted supervisor or colleague, decide: “whether they should limit, suspend, or terminate their work-related duties” (p.

1064). Bluntly said, if the economic depression imposes strictures so severe that the law, ethics, and standards cannot be maintained, the psychologist may well have to stop providing services, albeit that lessening mental health services adds to the public penalty.

Conclusion

Throughout the United States (and elsewhere), the current economic depression is resulting in massive layoffs and terminations of workers. Notwithstanding the greater need for mental health services because of the stress fostered by the dire economic conditions, there will be fewer resources to support payment for mental health services. With the aforementioned ethical principles in mind, there should be concern about the financial problems being imposed on potential service users, which might lead them to not seek needed mental health services. Not only will the economic depression result in reduced public mental health services, but there will likely be a decrease in benefits from third-party sources.

Professional psychological associations are suffering decreased memberships and flagging investments. Some psychologists, to cope with financial problems by reducing expenses, decide to quit incurring expenditures for professional activities, such as attending conferences and being members of associations. Likewise, individual subscriptions to professional journals are dropping.

Rather than dropping out of professional associations because of the expense of dues, it seems more logical that the practitioner should maintain membership and become active in the advocacy for improved mental health services. More specifically, the mission of the professional psychology association, such as APA or a state-level psychological associations, is to provide distinct benefits to the public by enhancing strong practice conditions—which will result in additional resources for practitioners.

Further to assure quality care and maintain effective risk management (avoiding lawsuits and licensing and ethics complaints), continued investment in professional resources (e.g., subscriptions to journals and attending seminars) seems essential. Unfortunately, if a psychologist cannot meet the obligations of professionalism, withdrawal from the profession may be necessary.

Reference

American Psychological Association. (2002). Ethical principles of psychologists and code of conduct. *American Psychologist*, 57(12), 1060-1073.

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