Smart Money Management with ADHD

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Session Objectives

- Understand the most common financial issues facing adults with ADHD
- Learn what help is available for those with ADHD who have financial difficulties
- Discover how to curb impulsive spending and debt
- Find ADHD-friendly techniques for maintaining financial health
Compared to Non-ADHD Peers, People with ADHD:

- Have lower incomes, even when they have a similar education level\(^1\)
- Have a significantly lower socioeconomic status\(^2\)
- Miss more days of work due to “unofficial” absences\(^3\)
Compared to Non-ADHD Peers, People with ADHD:

- Are more likely to take risks that lead to a loss of money\(^4\)
- Have higher total medical costs\(^3\)
- Have higher prescription drug costs
  - For all medications, not just ADHD medications\(^3\)
Common ADHD Financial Issues

- Higher rate of debt than general population
- Increased relationship difficulties due to money
- Disorganization of financial papers
- Lack of investments/ saving up for the future
- Late fees or non-payment of bills
- Lower credit score/ turned down for loans
- Higher rate of home foreclosure/bankruptcy
Long-term Consequences of Financial Management Difficulties

- May have to work longer than you intended
- Lower credit score
  - Can result in higher interest rates on loans or being turned down for loans
- Family members may not be able to find financial documents in a crisis
- Relationship issues
Why do people with ADHD have difficulties with money?

- Executive functions
  - Located in frontal lobes of the brain
  - Planning
  - Initiating tasks
  - Learning from consequences
  - Processing information

- Adults with ADHD have significantly more deficits of executive functioning than those without ADHD.
Why do people with ADHD have difficulties with money?

- It’s an executive dysfunction nightmare
  - It’s detail-oriented
  - Balancing checkbook – yuck
  - It requires planning for the future
    - Investing/saving
  - It requires organization
- It involves arithmetic/math
- May have learned money (mis)management from ADHD parents
Help Available for ADHD and Money Management Issues

- Medication
- Counseling
- Coaching
- Financial professionals
- Hiring an assistant
Stimulant Medication and Impact on Money Management

- Study subjects with ADHD who were on stimulant medication chose to wait a longer time to receive a larger amount of money rather than wait a shorter period of time for less money.6
- People with ADHD who were not on stimulant medication were more likely to choose the shorter wait.6
But Aren’t Stimulants Addictive?

- Taking stimulants actually reduces your chances of abusing substances\(^7\)
- The earlier in life a person with ADHD starts taking medication, the more reduced the risk of substance abuse\(^8\)
- Non-stimulants are also available for ADHD
Counseling and Coaching

- Make sure the counselor or coach has expertise in ADHD
- Counselors are licensed, coaches are not
  - Do your research
- Trust your instincts
- Specify that money management is an issue
Financial Professionals

- Who are they?
  - Accountants, bookkeepers, financial planners, stockbrokers
- What do they do?
- What do they cost?
- Do you really need them?
- How can they help you?
Hiring an Assistant

- But won’t that cost me money that I don’t have?
  - You will actually be making more money in the long run!
- Get help organizing financial papers
  - Keeping/tossing/filing
- Help setting up direct deposit and automatic withdrawal
How to Find an Assistant

- Ad on Craig’s List
  - Jobs -> Gigs -> Domestic
    - Free ad
  - You are assigned an anonymous email address
  - Ask for resume and references
  - Look at other ads to find out the “going rate”
Now Let’s Talk Solutions

- Debt
- Impulsive shopping
- Lack of a budget
- Disorganization with financial documents
- Credit card overuse
- Marriage and money issues
What Do I Do if I’m in Deep Debt?

- Credit counseling services
  - Check BBB for legitimacy
- Creditors may work out payment plan
- Know your rights under the Fair Debt Collecting Practices Act
- Check your credit report
  - More info on credit reports here.

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Deep Debt: Bankruptcy

- Always a LAST resort
- Credit can be ruined for 7 or 11 years
- Seek a consultation from a bankruptcy attorney if ALL other attempts at resolving debt have been unsuccessful
Curbing Shopping Impulsivity

- Wait for 24 hours on purchases over $100
- Go shopping with a non-impulsive friend
- Go shopping on “off hours”
- Stop and look through your cart before you check out
- Stick only to items on your list
- Know the difference between “needs” and “wants”
Needs vs. Wants

- **Needs**
  - Essential for survival
    - Food
    - Water
    - Clothing
    - Shelter
    - Human contact

- **Wants**
  - You can survive without them (may not be as fun, but you will live)
    - Cable
    - Internet
    - Entertainment
    - Spa
“Budget” is not a dirty word

- A budget is just a way of figuring out how much goes where
- Determine your needs and wants
  - Fixed and flexible expenses
- Work with a professional or an assistant
  - Do not attempt a budget alone
Keeping Financial Docs Organized

- Know when to keep & when to toss
- Do as much as you can online
  - Cuts back on amount of paper/clutter
  - Money management software
- Use colored hanging file folders
- Use a receipt scanner
Using Credit Cards Responsibly

- Not paying off a credit card monthly is like having a high-interest loan

- Online purchases
  - Use separate card not connected to your bank account
  - Never use debit card for online purchases

- Lower your credit limit
Money and Marriage

- In any marriage, conflicts over money are longer, more intense, bring up more past issues and are more emotionally significant than other conflict issues\(^9\)

- People with ADHD have a higher rate of divorce and remarriage\(^1\)
Money and Marriage

- You each have different money histories
  - Savers vs. Spenders
- Talk about big purchases
- Beware of “sneaky spending”
- Keep separate accounts
  - But make sure partner has access to it in event of emergency
Money and Marriage

- Have a weekly meeting about money
  - Set a time limit
  - Stick to one issue
- Put the more organized person in charge of finances
  - But you still have equal financial rights
    - Equal input about where money is going
    - Equal access to accounts
Is There Hope?

- YES!
  - Seek help from professionals
    - Financial and mental health
  - Hire an assistant
  - Set up payments with creditors
  - Review purchases
  - Use online services as much as possible
  - Have a weekly meeting with your spouse
Recommended Resources

- **ADD and Your Money: A Guide to Personal Finance for Adults with Attention Deficit Disorder** by Stephanie Sarkis PhD and Karl Klein JD
- **10 Simple Solutions to Adult ADD: How to Overcome Chronic Distraction & Accomplish Your Goals** by Stephanie Sarkis PhD
- **Adult ADD: A Guide for the Newly Diagnosed** by Stephanie Sarkis PhD
- **Making the Grade with ADD: A Student’s Guide to Succeeding in College with Attention Deficit Disorder** by Stephanie Sarkis PhD
Recommended Resources

- Consumer Federation of America
  - www.consumerfed.org
- Consumer Reports Magazine
  - www.consumerreports.org
References


References


