

Financial U

A College Student Learns How to Budget and Avoid Impulsive Spending

BY BRYAN GOODMAN, M.A.

Laura Osnas remembers vividly the first time she visited Washington, D.C. It was her junior year in high school, and a youth leadership conference brought her to the nation's capital. She fell in love with the city. She loved the shopping. The museums. The people.

She returned home to tiny Grass Valley, California, with a resolve to come back to Washington for college. A couple of years later she loaded up the car and headed to Washington's Catholic University of America.



This is the second in a four-part series on finances that focuses on childhood, the college years, middle age, and retirement. In the first installment, which appeared in the April 2007 issue, a mother explained how AD/HD affects her family budget. The series will extend through the December issue.

This article is published in English & Spanish.

"It had small classes and was well known for being good for students with learning disabilities," the now 19-year-old Osnas recounts.

Osnas wanted a school that would allow her to soar. Like everyone in her immediate family—mom, dad and older sister—Osnas has attention-deficit/hyperactivity disorder (AD/HD). Because the disorder was identified in kindergarten, she was able to get an early start on treatment, which included medication as well as behavioral interventions and educational accommodations. As a result, she was able to avoid or more easily overcome many of the problems encountered by a number of her peers with the disorder who didn't receive treatment.

But when she arrived in Washington for college, it was clear to her and her family that new challenges would soon present themselves. Washington is a college student's paradise. There is enough shopping to fill a lifetime. There's the cost of living. The nightlife. The countless places to spend

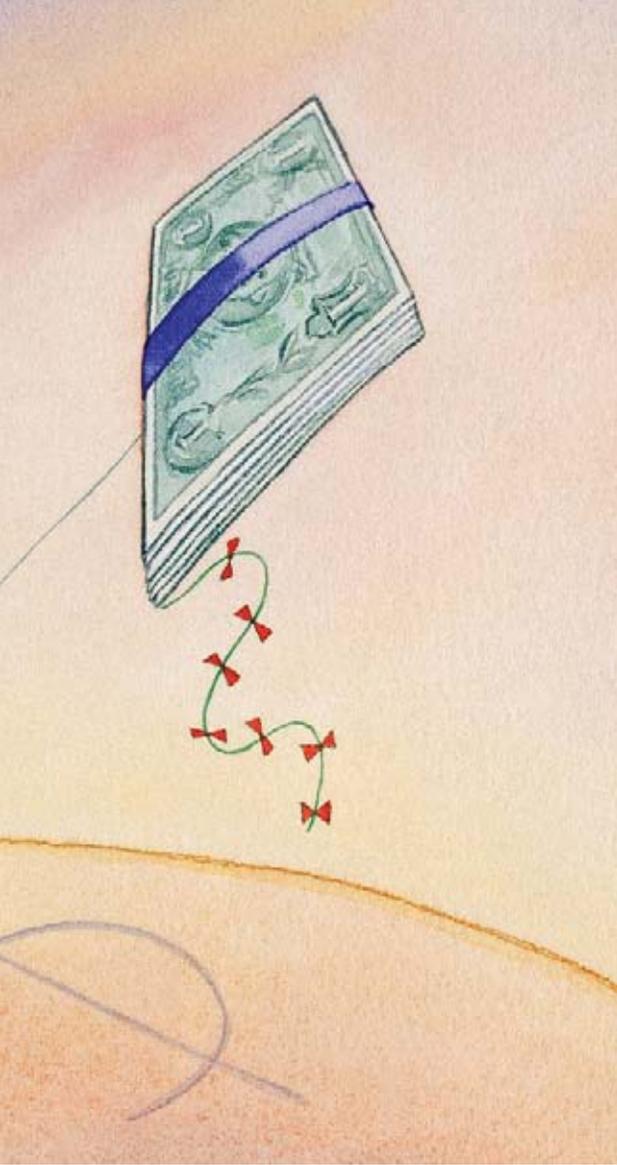
money. For the thousands of college students who come to Washington every year, the city can be a paradise that leads to a financial black hole.

Then there is the reality of living on a college campus, where there are now more credit card representatives promoting high-interest credit cards than there are tenured professors. For many students who have never learned to manage their money, navigating such terrain can be tough. For students with AD/HD, it can be downright overwhelming.

Because Osnas fits both categories, she and her parents knew there would be many challenges, but they decided early on that the college years would be a time to build credit and learn budgeting skills.

Early financial setbacks

When she first arrived on campus in August 2006, Osnas's parents had set up an account into which they deposited a year's allowance for all of her expenses. Still lacking budgeting



A Checklist for Parents of College-Bound Children

- ✓ **Contact a physician and a pharmacy** near your child's college and make the financial arrangements to allow your college student to pick up prescriptions on a regular basis.
- ✓ **Work out a financial plan with your college student**, so that everyone is on the same page about purchases the student will make while he or she is away from home. Who will pay for the necessities? Who will pay for recreational activities? Will there be different accounts set up for these expenditures?
- ✓ **Consider giving your college student a pre-paid debit card.** You will be able track purchases and prevent your college student from spending more than is allocated in the account.
- ✓ **Consider a pre-paid phone card** that will allow your student to call home or determine when he or she can use "unlimited minutes" to make a cell phone call home.
- ✓ **See if your child's college offers any classes on budgeting.** Many colleges offer noncredit courses on surviving life at college. Often finances are included in these classes.

that they would control," she said. "We settled on having them monitor what I am spending. I have learned my lesson. If I go crazy again, then they will put me on a budget."

Financial roller coaster

Anyone who meets Osnas wouldn't believe that she would be anything but financially responsible. She comes across as self-confident, direct, bright and mature well beyond her years. She even squeezes in an innocent giggle now and then, which is refreshing to anyone old enough to remember the Reagan administration.

But she describes her spending habits as a roller coaster.

"I feel guilty if I spend any money at all. If I splurge then I think, okay, I can splurge again. I am learning when it's okay to splurge and when it isn't."

Patricia Quinn, M.D., a national expert on women with AD/HD, said Osnas's story is not uncommon. "I have found that young women with AD/HD have the intellectual skills, but often it's the impulsivity piece that creeps up and sabotages what they have learned."

Quinn recommends setting up a series of steps to take before making a purchase. [See sidebar.] She says that young women with

skills, however, she went through almost all of the money right away.

"I was like, 'Woo-hoo, money! I am going to spend it.' I had no concept that I had to save it or that it wouldn't be there afterward."

She quickly recovered after the setback, and began to budget. That was Lesson One. Lesson Two came earlier this year after Osnas received her first credit card. She and her parents had agreed that the credit card would help her establish credit, but she would have to be careful not to use it for frivolous or even everyday purchases. A month later, however, things got out of hand.

"I was managing my money very well. I swore that I wouldn't use it, but I started using it for purchases, and I maxed it out."

Luckily, Osnas had some money from her parents and grandmother that allowed her to pay off the debt. Nevertheless, a conference call between her and her parents came soon after.

"We talked about having me go on a budget



FOR MORE INFO

For more information on managing money, visit the **National Resource Center on AD/HD (NRC)** online at www.help4adhd.org/living/wwk17.

American Consumer Credit Counseling (ACCC) is a nonprofit organization that offers credit counseling and education on financial management to consumers. Visit www.consumercredit.com.

Financial Tips *for College Students*

College students are very social beings. Most want to go shopping with their friends or at least hang out at coffeehouses and shoot the breeze over cappuccino. It's important, however, that college students with AD/HD always protect themselves from the potential to overspend.

One way to do that is to leave debit and credit cards at home, says Patricia Quinn, M.D., a leading expert on AD/HD. According to Dr. Quinn, there are some basic questions college students can ask themselves that will help prevent impulsive spending.

Questions for preventing overspending:

- Is this purchase something for which I've planned?
- Do I really need this item?
- How will this purchase affect my budget?



AD/HD often have to be careful not to put themselves in situations where they will spend money. Quinn discourages shopping without a purpose and endorses window shopping only if credit cards are left behind.

Osnas's mother, Joanne, says she views her daughter's financial travails as a learning experience. "It's teaching her about what you need and don't need. She's learning how to control her money."

Quinn agrees, but encourages parents of college students with AD/HD to put mechanisms in place that will ensure success. That means making sure the college student has credit cards with low credit limits. Quinn says parents should talk with their college students and develop a plan for when it is appropriate to withdraw money from the bank and how such withdrawals should be recorded. Social outings should also factor into planning. If a college student goes on a date, says Quinn, then he or she should have an understanding of who will pay for dinner and the movie or any other entertainment.

The first job

Osnas is excited that she will soon be generating more money through her first job as a salesperson at Georgetown's Banana Republic.

"I get paid to talk with people and have fun. I stayed an extra two hours my first day. It gets my mind off school, and I am actually making money. It's amazing to me. I am not just draining my account. I am putting money back in."

Of course, she is now surrounded by one of the things she is most passionate about: clothes.

Quinn says she encourages her clients to get a part-time job to pay for those "extras." Paychecks from part-time jobs at retail stores can then be used to purchase clothes at those stores only, where the employee would presumably receive a discount.

Happily ever after

While Osnas has had some financial difficulties, her future nevertheless looks bright. She is, after all, very young and has her whole life

before her. She's sailing through Catholic University with a 3.5 GPA and has a wonderful and helpful boyfriend—who even comes with a father who is a financial planner. She comes across as someone with an unbreakable spirit and the dedication to achieve whatever she sets her mind to.

Still, with her daughter a continent away, armed with a credit card and more freedom than she's ever had, Osnas's mother echoes the feelings of countless parents while acknowledging the reality that exists during the college years.

"It's hard as a parent to sit back and watch them struggle and know that they're struggling and not do anything about it. But she's learning a lot, and we're proud of her. She's just a super neat kid." ■

Bryan Goodman, M.A., is CHADD's director of communications. Reach him at bryan_goodman@chadd.org. The next story will focus on a middle-aged man struggling with AD/HD and finances.

Financial Strategies

for College Students

■ Work a part-time job and only use the money from that job for purchases in that store.

■ Window shop only when your credit cards are left at home.

■ Go shopping with a purpose and take only the cash you need for budgeted purchases.