The Difficulties of Managing Money With ADHD

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Managing Money and ADHD

Anyone who lives with ADHD knows the woes of managing money, whether it's the constant scramble to pay your bills, or the paralyzing fear of facing your financial reality.

In fact, statistics suggest that people with ADHD have greater amounts of debt, less savings, and more trouble making payments on time. And as if those challenges to financial stability weren't enough, people with ADHD typically have higher medication costs and lower incomes than their non-ADHD peers.

It may seem like the odds are against you, but there are some clear and straightforward ways to boost your balance and stay on schedule with payments. If you want a more comfortable financial life, you'll need to eliminate the excess – and that applies to planning and paying, as well as personal spending.

The Problem with Budgets

Budgeting has been hailed as the key to financial success for everyone, but managing money requires a good deal of organization, concentration, and time.

Unfortunately for those with ADHD, the (supposedly) simple process of plotting out your income and expenses each month is confusing and unproductive. In the end, you're juggling too many variables and dwelling on too many details to stay in control.

Although traditional budgeting may not be suited to the ADHD mind, don't give up on budgeting completely. In fact, a suitable budget can be your quickest way to debt-free living, as long as you focus on:

Spotting Problematic Patterns

Understanding your financial habits, urges and weaknesses will help you direct your attention to the areas that need it most. Start with small steps in those areas, whether that means creating a filing system to organize bills, or working with a friend or financial expert to craft a plan to reduce credit card debt.

You can't overcome all your major financial problems at once, but you can conquer each of them one at a time.

Setting Clear Goals

Goals are great for staying on track, building confidence, and learning to balance restraint and reward. Find an appropriate short-term goal (such as, pay down some credit card debt) and long-term goal (like save for a major purchase) that will help you focus your energy and build financial competency.

Simplifying Paperwork

A simple, two-column template may be all you need to build a workable budget, whether it's a simple sheet of paper or a streamlined software program. Keep categories to a minimum, and label everything well. Color-coding can be immensely helpful when you're organizing and labeling paid bills, unpaid bills, expenses and incoming revenue.

Remembering which bills to pay, how much to pay and when to pay them is like juggling a full schedule. You probably find it hard to remember to look at all of them on time, let alone pay what you need to before the late fees start rolling in.

So, why not use the resources available, and set up automatic payments? Most banks allow you to do nearly everything online, and if you don't know where to start, you can meet with an advisor or a friendly teller at your local branch to get things on track.

Once payments are automatic, you'll have a lot less to keep track of each day; the more financial tasks you can take care of online, the more time and energy you'll save for other obligations.

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Tips for Staying on Top of Daily Finances

When it comes to financial stability and saving money, impulsive spending is the first hurdle to clear. Impulsivity is extremely common among people with ADHD, and although it can be a difficult habit to break, you will need to reign in your personal spending before you see any improvement in your finances.

Luckily, there are a few proven ways to stay within a budget without denying yourself too much:

Give Yourself a Weekly Allowance

If you're constantly spending more than your disposable income allows, get back to basics and set a tangible limit. Decide what you can afford to spend on non-necessary items each week, and put that amount of cash in your wallet on Monday (or whichever day you wish, as long as it's the same day each week).

As you go through the week, you'll be able to simply look at your wallet and know whether or not you can afford an impulse purchase.

Use Envelopes

Everyone tends to save receipts, but when they end up in a big jumble of papers and pamphlets, they're no good to anyone.

A simple envelope taped to your desk or hung on a wall is perfect for collecting receipts as they come in, and you can seal it at the end the month and replace it with a new envelope to keep everything organized by month (which will be particularly useful come tax time).

Out of Sight, out of Mind

When it comes to saving – for a vacation, for school, for retirement – experts insist that it's far easier to keep accumulating money when you don't have to make a conscious effort to put it into the account.

An automatic online transfer from your checking to your savings account (or a mutual fund, or any other specialized place for savings) each month will take the guesswork and temptation out of the exercise.

Even if you start with a few dollars every 30 days, it's a great habit to get into, and you'll thank yourself down the road!

Be Reasonable and Realistic

Money management is no easy task, but you make it even more challenging by expecting too much of yourself. You may be tempted to keep your money problems a secret, but it’s far better to open up.

An ADHD coach can help improve your daily approach to banking and spending, and a financial advisor can be extremely valuable when it comes to long-term financial goals, like investments and debt payment.

Don’t discount the opinions or abilities of your partner, either. Talk openly about your respective thoughts on finances, and try to share financial responsibility to avoid straining your relationship.

It’s always a better idea to ask for some help when you’re feeling overwhelmed then to let yourself silently sink into debt and despair.