

How Can You Teach Kids with ADHD to Manage Money? *Part Two*



A chat with Stephanie Moulton Sarkis, PhD

CHILDREN AND ADULTS WITH ADHD MAY FACE THE SAME MONEY PITFALLS—impulsive spending, financial disorganization, spending money to impress friends, and so forth. It's important for parents to understand how ADHD may impair the ability to handle money in children who are affected. Your child with ADHD may lag developmentally and may need your financial guidance longer than siblings who don't have ADHD. And if you're a parent with ADHD who has struggled with money,

it's important to know that your child does not have to repeat the pattern.

Are there steps you can take to help your child with ADHD to learn about managing money? Here are some questions parents asked Stephanie Moulton Sarkis, PhD, the coauthor of *ADD and Your Money: A Guide to Personal Finance for Adults with Attention-Deficit Disorder* (New Harbinger, 2009), and the author of *10 Simple Solutions to Adult ADD* (New Harbinger, 2011) and *Making the Grade with ADD* (New Harbinger, 2008). She is also a licensed counselor, ADHD coach, and adjunct assistant professor at Florida Atlantic University.

My sixteen-year-old daughter thinks she is ready for her own checking account. She has her first full-time job and wants direct deposit. I feel she may not be ready to handle her own money because she would spend it right away. Should I let her have her own checking account? How could I help her learn to manage it?

I think it's a great idea to have her get a checking account. I think the earlier we teach kids about financial issues the better. Your bank can help you put some kind of safety gate on the account to make sure the money isn't transferred out and spent all at once.

Many banks will allow you to open up an account for a minor with your name on the account, and then you can have control over when money comes and goes. You can have a savings account attached to the checking account, and set it up so that money is only deposited into savings and you're the only one who can withdraw that money. Your daughter can't go into savings and transfer money over. When the money in the checking account is out, then it's out. This is one way to allow her to kind of have her own account, but you still have control over it.

My son has just turned seven. How do I teach him the best way to control his spending and save money at such an early age?

I have a whole chapter in my money book about how to talk to kids about money. Teaching kids about money is great, even at

an earlier age. I don't recommend talking to kids about how much money you make, however. If you have kids, you know—whatever you tell them, they're going to tell somebody else. If they ask, you can just say that's not something parents talk to their kids about.

One way to teach them how money works is to have them save for an item they want. When kids save up for items, they tend to treat those items better. They tend to lose them less often, even if they have ADHD. Suggest ways they can earn some money; for example, "If you do the dishes every day for a week, you get a couple dollars." Then you can get some work out of them, too, which is always a nice bonus when you're a parent. You also show them how much it takes to earn something. Draw a chart to track their progress toward their goal, because kids with ADHD need a visual representation.

Do you have any suggestions for helping teens learn to manage money they have earned?

Look at a bank account where you have parental control over the account, and work with the teenager on a budget. Let's say school's coming up and they want to have some new outfits. You can show them how to comparison shop online or at the mall. To start, teach them how to have better control over their money. And that it's not how much money that you take home from your part-time job, it's how much you get to keep. That's a really important thing to tell teenagers, because they teenagers do have a lot of

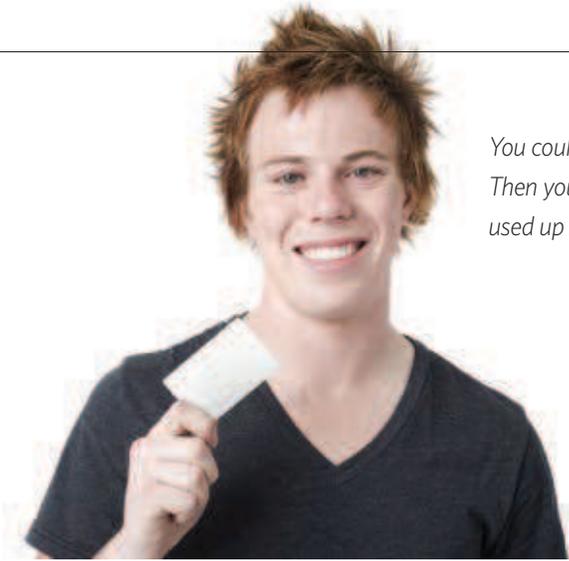
disposable income, and that's why they are one of marketers' most targeted groups. Talk to them about comparison shopping, smart consumer practices, checking their cart when they check out, and so forth.

It's important that kids feel they have a say in their financial lives. For example, if you have a meeting every week—a great way just for family members to connect with each other—you can say, "Hey, we're looking at new cell phone plans, and we were wondering if you could look at them and find out which one's the best deal." Teenagers are so tech-savvy—they can look up all sorts of rates for plans and present that information at the next family meeting. I think it's important they learn how to obtain financial information so they feel confident in being able to make financial decisions. You get the final say on which cell plan, of course; I call parenting a benevolent dictatorship.

I have a fourteen-year-old son. I'm planning to open a joint account with him and provide him with a secured credit card. What is the best way to determine how much money should be put into his account on a regular basis? Sit down with him and ask what he is spending money on. Let's say he goes to the movies with his friends—a ticket costs eight to ten dollars now. You can say, "Okay, well, that's on your budget." Then look at how much money he's actually spending. This is a good way for him to look realistically at where he's spending money that could be put in savings instead. It's also a great way to teach him about a budget.

Let's say you know he really wants a certain bike. You can say, "Okay, well, that's this much money, and so let's work on saving up that money so you can buy the bike." When kids use their own money to buy something, they tend to have a lot more respect for the item. This is a great opportunity to teach him budgeting and money management skills. But it really depends on what activities he's doing and how much money you're going to give him—and it also depends on your budget, too. Obviously, you don't want to give so much money that it impacts your budget. Your budget comes first, his second.

You could get him a prepaid credit card in-



You could get your teen a prepaid credit card instead of a secured credit card. Then you're actually putting cash on the credit card, and once that money's used up for the month, he's done spending.

stead of a secured credit card. Then you're actually putting cash on the credit card, and once that money's used up for the month, he's done spending. When the next month starts, he gets more money put on the card. He can also earn money. I think it's a great tool for teaching kids responsible money management.

I want to teach my teenage son how to value money. How can I motivate him since he doesn't have a job or want to do chores to earn money?

When kids don't want to do something they can be pretty adamant about not doing it. What does he want money for? Sit and talk with him. You could say, for example, "I'm kind of confused because you want a \$500 iPad but when I ask you to mow the lawn for money, you don't want to do it. I'm wondering what that's about." Kids—especially kids with ADHD—will be pretty honest with you. They'll say, "You're not paying me enough." And then you can reply, "What do you think is a reasonable amount to get paid?" Then you negotiate from there (a great opportunity to teach kids about negotiation) and you have your limit.

If you're raising a teenager who won't do things for money, try to figure out what is the root of that. Is it that he doesn't like being told what to do? Or are there certain chores he'd rather do for money? Or would he prefer that you give him a stipend every month as long as he does certain things around the house? If you want to be real tough, you could say, "Well, since you're not willing to do stuff for me, I'm not going to give you money," and buy only his necessities. But it really depends on your relationship with your child, and how you think he's going to react.

My son is about to begin his freshman year of college. He has already spent the money he earned from his summer job and he's getting ready to leave for school very soon. I want to send him to school, and I'm considering sending him to school without any money, but my husband wants to give him some. What's the best route to teach him to learn from this situation?

There's a whole chapter on money management and college kids with ADHD in my book, *Making the Grade with ADD*. I think the fact that he's spent all that money is a great learning tool. You can sit down with him and say, "Okay, so you had X amount of money and you spent it. Let's see what we're going to do now. What are some of your suggestions?" That makes him take some responsibility. But it's important not to say this in a punishing way.

I think it's even more important that you and your husband agree

on the money issue because you have to be a united front. Even really well behaved kids know how to play parents off each other. If they notice a weakness in the fortress they figure out a way to get you to argue—and that takes the focus off them.

One thing you can do is to give him a prepaid credit card; you put the cash on it and when that money is gone, it's gone. You can also set up the kind of account where only you can deposit money into the savings account and transfer money into the attached checking account; he's not allowed to transfer money from savings into checking. You can also work with him on a budget and take a look at whether he needs an ADHD evaluation and whether medication or other treatment would help him. 🗨️

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