

# ADHD Can Affect Entrepreneurs' Earnings and Business Success

Vassiliki Bamiatzi (University of Sussex Business School)  
Nick Williams (University of Leeds)

**KEYWORDS:** Entrepreneurship, Management, Startups, human resources, Founders, Journal of Business Venturing.

The mental health crisis has affected public safety, schools, politics and business and provoked a worldwide discussion on how we can better help individuals who are suffering from mental illness. While many researchers have studied how mental health affects business success, we wanted to study the impact of one mental health condition, ADHD, on founders and the performance of small businesses, a huge engine of economic growth worldwide.

Our study of more than 17,000 individuals showed that entrepreneurship is indeed a common choice for people with ADHD, who often find it too constraining or boring to work for traditional established firms and have difficulty conforming to corporate expectations. While ADHD can confer some strengths in an entrepreneurial setting, including greater ease with taking risks, we found that many entrepreneurs with ADHD struggled to stay in business and earned less than they would have in salaried employment.

## An Overlooked Area of Research

Many researchers have looked into how ADHD encourages people to choose entrepreneurship – in fact, about 29% of entrepreneurs have it -- but nobody has looked at what happens to businesses founded by individuals with ADHD. We wanted to explore this topic because entrepreneurs face challenges that salaried workers don't have: fending off competition, creating new products, managing their own employees, capital problems and the ever-present uncertainty of the entrepreneurial environment. These pressures can affect physical and mental health, even among entrepreneurs without ADHD. Encouragingly, other studies have shown that entrepreneurs as a whole are a tenacious lot, and that the novelty-seeking aspects of having ADHD actually can help entrepreneurs be more comfortable with risk.

We thought our research would confirm what others have found: that having ADHD often predisposes people to choose being in business for themselves over salaried work, and that we'd find a higher percentage of people with ADHD among entrepreneurs than among salaried employees. Recognizing that the two symptoms associated with ADHD -- inattention and hyperactivity/impulsivity -- are rather distinct, we examined each symptom separately to decipher their **distinct implications** on entrepreneurial behavior and performance.

## What We Studied

We looked at 17,196 people who were born in the UK within a single week in April 1970 and tracked in the British Cohort Survey. Using information from the participants and their parents and teachers – including interviews, questionnaires, school histories and medical information -- the survey monitored their physical, educational and social development since the age of 5, and began looking more deeply at their economic, social and relationship data starting at age 26. The survey checked in with participants at nine points in their lives, ranging from birth to age 42, and included measurements that identified ADHD-like symptoms among the participants. This gave us a rich trove of information to study and analyze.

We narrowed down the 17,196 people in the full sample to those whose teachers identified ADHD-like symptoms from age 10 and whose data also included father's self-employment status at age 16, education information from age 30, social class information and employment data, reducing our study sample to a maximum of 1632 business owners. The last variable requires that those in full time employment have completed information across the 12-year period. We also looked at whether respondents ultimately started their own businesses or



worked for someone else, and we saw that 439 people had their own businesses by age 30 and 853 by age 42. The survey also gave us information on how long these entrepreneurs stayed in business, and their earnings over time.

## What We Found

Our findings confirmed earlier research that having ADHD made people more likely to become entrepreneurs. While we assumed that the thrill and excitement of the entrepreneurial world would be the biggest attraction for people with the impulsive variation of ADHD, what we actually found was that people with ADHD chose entrepreneurship and/or left regular employment because they had problems with focus. They couldn't sustain interest in the mundane, repetitive tasks that companies typically require, and wanted more flexibility and control over their employed life. But successful entrepreneurial ventures at some point also require persistence, perseverance, long-term planning and organization, and we found that this inability to focus would become their Achilles heel over time.

And indeed, our look at the two main varieties of ADHD – impulsiveness and inattention – showed that each of these characteristics had a negative impact in some way. We saw that people with the inattentive type of ADHD suffered the most personally and ended up with less take-home pay from their businesses. When people had the impulsive, “hyper” version of ADHD, their overall business earnings suffered and they didn't stay in business for long. In both categories, it was worse for people with ADHD who didn't pursue formal education after age 18.

An unexpected finding from our study is that leaving education at or after the age of 18 has an overwhelmingly negative effect on the possibility of business ownership with 1–24 employees across the 12-year period of age 30–42.

## Takeaways

Our research can offer some insights for teachers, policymakers and entrepreneurs themselves. We recommend that teachers be alert for ADHD symptoms among their students, and help them shore up their strengths and encourage the right educational paths so they can be more successful in business. We also recommend that policymakers strengthen mental health supports and recognize that the mental health of entrepreneurs has a profound effect on the success of

their businesses -- and on the suppliers, communities and other outside stakeholders depending on it.

It's important that entrepreneurs who may have ADHD or ADHD-like symptoms have people who can help them with the managerial and organizational elements of the business. While the entrepreneurs can bring in the novelty and creativity often prominent among ADHD symptoms, experienced consultants or managers could help them cope with the everyday burden.

## Explore the Research

Rajah, N., Bamiatzi, V., & Williams, N. (2021). [How childhood ADHD-like symptoms predict selection into entrepreneurship and implications on entrepreneurial performance](https://www.sciencedirect.com/science/article/abs/pii/S088390262100001X)

(<https://www.sciencedirect.com/science/article/abs/pii/S088390262100001X>) . Journal of Business Venturing, 36(3), 106091.

*EDITOR'S NOTE: This article was produced in partnership with the Journal of Business Venturing, a leading journal in the field of entrepreneurship, as part of EIX's mission to bring research-proven insights and practical advice to our readers.*