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Psychological Constructs Of Financial Decision-Making Capacity: Implications For Adults With Learning Disabilities

Summary

Background: The legal presumption that adults have the capacity to engage in meaningful decision-making, including financial decision-making, may be called into question when an individual has a ‘mental disability’, such as a learning disability. The aim of this research is to investigate psychological constructs of financial decision-making capacity and their implications for adults with learning disabilities. Current formal assessment of financial decision-making capacity is examined, and the decision-making abilities that contribute to a judgment of capacity, and some factors that potentially affect them, are investigated in adults with, and without, learning disabilities. **Method:** Following a background study of the Court of Protection, which suggested that current formal capacity assessment is inadequate in both extent and nature, a measure employing a ‘functional’ approach was used to assess financial decision-making abilities among adults with, and without, learning disabilities. Their intellectual abilities were assessed using a well-established IQ test. Understanding of quantity, numbers, and money was assessed using novel methodology, and decision-making opportunities were assessed using a recognized questionnaire. **Results:** Although adults with learning disabilities had poorer decision-making abilities than their ‘general population’ counterparts, there were no discrete differences in their abilities: all adults found understanding relevant information, and reasoning with it, to be the hardest parts of decision-making. A direct relationship was identified between intellectual abilities and understanding of quantity, numbers, and money. Such understanding also related directly to decision-making opportunities, which, in turn, also related directly to financial decision-making abilities. The latter two relationships may each be reciprocal. **Conclusions:** The process of financial decision-making is similar in adults with and without learning disabilities, and is affected by multiple interacting factors. A model of relationships among the factors affecting financial decision-making abilities among adults with learning disabilities is proposed, which has important practical, legal, and social implications.