Everyday Cheapskate: 3-Year-old boy won't go bankrupt over McDonald's

by Mary_Hunt

The best way to raise financially confident kids is to allow them to make their own financial decisions beginning at a young age. Then allow them to live with the consequences.

In my book "Debt-Proof Your Kids," I tell the story of our two boys and the plan we implemented. It works because it allows kids to make mistakes while they are still small and easily rectified.

Recently, I heard from Marsha A., who read "Debt-Proof Your Kids":

"My 3-year-old son, Zane, got a McDonald's gift card. Happy Meal independence went to his head. Every day for a week, he asked to go to McDonald's. When we told him 'No,' he would say 'Nana give me a credit card for A-Donald's NOW!'

"Oops. I guess our bad credit habits rubbed off. So we made a plan. Zane needed to know that credit cards come with a 'bill.' We decided he would get a bill every week.

"He can't read yet, so his bill is in pictures. During weeks he has two Happy Meals, his bill comes with two photos of Happy Meal purchases and photos of four chores (payment, including interest). He's been good at 'paying' his bill when he gets it. In fact, yesterday, he told me I have to wash towels so he can fold them.

"Last Saturday, we were at McDonald's and he paid with his 'credit card.' The man behind us complained that letting the baby pay for his own meal was taking too long. The cashier asked why we let Zane pay. I explained that we were trying to teach him how to manage his money. The cashier said 'I wish my parents had done that for me.'

"When we were done with lunch, the cashier stopped me and said he wasn't able to go to school this semester. He had to pick up three part-time jobs to catch up on his credit card payments. He reiterated that he wished his parents had taught him the value of money when he was still at home."

I was impressed by Marsha's clever way of teaching a young boy about how the world works and that plastic is not a magic key to get whatever you want. When you use credit, every purchase comes with a payment. Zane is a lucky little boy to be learning important lessons early in life.

If you'd like to take a look at one of Zane's bills and see the little guy for yourself, I've posted pictures at my blog.

Mary Hunt is the author of 17 books, including "Debt-Proof Living." You can e-mail her at mary@everydaycheapskate.com, or write to Everyday Cheapskate, P.O. Box 2135, Paramount, CA 90723.
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