

Debt Recovery

After giving a talk about debt at a local high school in Ontario recently, a teacher approached me. She was the mother of a young man, one of a large number of teens I'd just spoken with. She had expressed concern that her eighteen-year old was spiraling out of control.

In the last year of high school he'd spent over thirty thousand dollars of borrowed money on a vehicle. She went on to say he never thought of how he was going to pay it off. Principal and interest were increasing daily and now a collection agency was calling. She said that he was smart and planned on furthering his education at university. But she worried that he was unable to get a student loan because of the financial hole he'd dug himself into. I told her he must take responsibility for his actions and explained how he should focus on paying off the debt quickly and in orderly fashion.

More young people are relying on bank loans to pay for living expenses, college education and personal possessions than ever before. Many fail to realize that if they work hard during school, take part time jobs, live frugally, and focus on savings, they can pay for their tuition and not be burdened by huge debts after college. Education is important and can be quite expensive. But teaching children at an early age how to manage their time and money is imperative if they're to avoid making the mistakes that we as young adults make every day.

As clichéd as it sounds, we can take a lesson from the generation who lived through the depression era of the 1930's. Back then buying on credit was unheard of. People worked hard, saved every nickel and made do until they had the cash to buy what was needed.

We've all been programmed from birth to rely on others, (mainly our parents) to pay for everything. This has led to frustration and unrealistic expectations in the minds of our adolescent children who want everything now even if it means falling into a quagmire of debt.

Be a positive role model to your children at an early age. Teach them the values of hard work and saving money. Describe the hazards of getting into debt and how it can negatively affect their lives. We're only on this planet for a short time. Why spend a lifetime struggling to pay off a burdensome debt accumulated during the folly youth?