

Disadvantages of Teenagers Having Credit Cards

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For many, a credit card is a financial blessing. Not only is it convenient, as it can enable you to purchase things when you want or need them but can't necessarily afford them at the moment, but it can also help you budget responsibly while building credit. The bad news is that a credit card can have disastrous effects if you purchase on a whim and don't watch your spending. And a credit card in the hands of a teenager may tempt them to use it more for pleasure than necessity. It's not that a teen shouldn't have one, but it's best to keep a watchful eye on your account statements if you've designated your teenager as a user.

Reduces Work Ethic

One of the major problems with teens having credit cards is that it changes the value of money. Often, credit-card teens face a misleading choice — work for a few dollars an hour or just whip out a credit card to buy what they want. Of course, this "instant gratification" factor rings true for adults as well. But teens often don't grasp that eventually, you have to earn the money to pay the balance on the card. Ideally, teens should develop an understanding of money and the value of work before obtaining a credit card.

Creates Debt

One of the reasons credit card companies target young people is because they are less likely to pay on time, racking up significant interest. If you let your teen "charge away" on your account irresponsibly, chances are when they are old enough to get their own account, that irresponsible spending won't stop. They will quickly find them self deep in debt -- and debt is hard to

shake. High credit card balances make it difficult to get loans, budget appropriately, land certain jobs and rent an apartment.

Supports Laziness

Credit cards allow you to spend now and worry about the consequences later. They can, at least temporarily, put your financial condition out of sight and out of mind. While this is a dangerous trap for some financially responsible adults, it can have even more harmful effects on teens. Teenagers are still in their formative years and are prone to develop unhealthy habits if you let them. Procrastination (putting work off) and laziness that credit cards can create for teens may negatively affect their productivity throughout their lives. It's not that credit cards themselves are evil, but it's best for teens to learn responsibility before getting a chance to develop negative habits.

Leads to Irresponsibility

Credit cards can blur, or even eliminate, the line between want and need. For teens who are often impulsive by nature, the tendency to buy things that are totally unnecessary is multiplied. If a teen sees that his friends have a new electronic gadget, he may determine that he "needs" it, too. Any item that catches the eye of a teen with a credit card is fair game. Furthermore, teens are more likely to lose credit cards or to give out private credit card information without much discernment than an adult.