



# Happy Meal Price Hike

*Dear Dr. Per Cap:*

*I know they're not the healthiest option but for a single parent on the go, I buy a lot of Happy Meals. I heard McDonald's is raising the price. What's up?*

*Signed,*

*Happy Dad*

Dear Happy Dad

I think Happy Meals are the go to treat for a lot of Native kids whose families live near a McDonald's. And while there are certainly more nutritious dining options – come on nobody chooses the apple slices over extra fries! They sure are convenient and a huge hit with the kiddos.

This topic is close to my heart. Our family has pretty much completely stopped eating restaurant food since COVID hit last spring. However, our one indulgence comes on Friday afternoons when I take my six-year-old daughter through the McDonald's drive thru for . . . You guessed it – a Happy Meal!

Your question is timely because I've always wondered how those little red boxes can sell so cheap, less than four bucks where we live. Especially considering that some Happy Meal toys are decent quality and cool enough to be sought by adult collectors. I know I've got an old Cowboy McNugget laying around the house somewhere.

Turns out Happy Meal toys aren't cheap even when manufactured at enormous scale. In fact McDonald's actually has to subsidize the cost by providing store operators with a \$300 monthly rebate to allow a lower sale price for all of those loveable little action figures, race cars, and spy kits.

Well, McDonald's executives plan on ending the Happy Meal rebate party early next year. Instead they want to spend the cash, which adds up to more than \$4 million a month across all of its U.S. based restaurants, on technology updates and advertising costs which have gone up during the pandemic. Yeah, you read that right - four million bucks a month to keep families lovin' it.

Naturally many McDonald's restaurants will raise prices to offset the added cost. It's estimated customers can expect to pay about an extra 25 cents to indulge in a kid sized burger or nuggets. Not a

huge price hike but every penny counts when it comes to the family budget. So if a quarter is a deal breaker, stop by my house any day but Friday and join us for bologna sandwiches and carrot sticks. Hey, I'm kidding! Don't stop by.

Hmm...on second thought, I guess you can stop by. But only if you bring a classic Happy Meal toy to trade!

***Ask Dr. Per Cap*** is a program funded by First Nations Development Institute with assistance from the FINRA Investor Education Foundation. For more information, visit [www.firstnations.org](http://www.firstnations.org). To send a question to Dr. Per Cap, email [askdrpercap@firstnations.org](mailto:askdrpercap@firstnations.org).