

PAYING OFF DEBT

Paying off debt can be hard but essential for good credit and financial stability. Below is a helpful method of paying down debt in a fast and effective way.

It's called the ***debt snowball***. Basically, once you have an emergency fund saved up (\$500-\$1000), you start focusing on the debt you can pay off the fastest. Focus on paying that one while also paying the minimums on all other debts. Once paid off move to the next, but take the money that was being used towards the first debt and add it to the next one. See visual below!

Source: <http://www.moolanomy.com/1302/dave-ramsey-debt-snowball/>

	Pay \$100 ↓	Pay \$25 ↓	Pay \$25 ↓	Pay \$25 ↓	Pay \$25 ↓
M	\$ 500	\$ 625	\$ 675	\$ 1,000	\$ 1,200
1	\$ 400	\$ 600	\$ 650	\$ 975	\$ 1,175
2	\$ 300	\$ 575	\$ 625	\$ 950	\$ 1,150
3	\$ 200	\$ 550	\$ 600	\$ 925	\$ 1,125
4	\$ 100	\$ 525	\$ 575	\$ 900	\$ 1,100
5	\$ -	\$ 500	\$ 550	\$ 875	\$ 1,075

	Pay \$125 ↓	Pay \$25 ↓	Pay \$25 ↓	Pay \$25 ↓	
M		\$ 500	\$ 550	\$ 875	\$ 1,075
6		\$ 375	\$ 525	\$ 850	\$ 1,050
7		\$ 250	\$ 500	\$ 825	\$ 1,025
8		\$ 125	\$ 475	\$ 800	\$ 1,000
9		\$ -	\$ 450	\$ 775	\$ 975

	Pay \$150 ↓	Pay \$25 ↓	Pay \$25 ↓		
M			\$ 450	\$ 775	\$ 975
10			\$ 300	\$ 750	\$ 950
11			\$ 150	\$ 725	\$ 925
12			\$ -	\$ 700	\$ 900

	Pay \$175 ↓	Pay \$25 ↓			
M				\$ 700	\$ 900
13				\$ 525	\$ 875
14				\$ 350	\$ 850
15				\$ 175	\$ 825
16				\$ -	\$ 800

	Pay \$200 ↓				
M					\$ 800
17					\$ 600
18					\$ 400
19					\$ 200
20					\$ -

