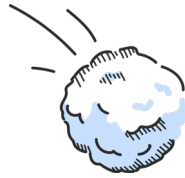


## THE SNOWBALL METHOD



**PROS:** Small wins keep you motivated.



**CONS:** You usually pay more in interest than with the Avalanche Method.

**1** Make a list of all your debts using the table provided. Start with the **debt with the smallest balance** and end with the debt with the largest balance.

**2** Determine if you can afford to put any extra towards your debt each month (**even \$10 can make a big difference**). Write this amount in the top box of the extra monthly payment column.

**3** **Add the extra amount to the minimum payment** for the debt that is at the top of your list. Pay the minimum on all of your other debts.

DEBT	BALANCE	MINIMUM MONTHLY PAYMENT	EXTRA MONTHLY PAYMENT	NEW MONTHLY PAYMENT
<del>Credit Card</del>	<del>\$312</del>	<del>\$50</del>	<del>\$10</del>	<del>\$60</del>
Student Loan	\$5,267	\$120	\$60	\$180
Car	\$10,560	\$310		
Total Debt	\$16,139	Total Monthly Payment (Minimum Payments + Extra)		\$490

**4** Once the first debt on the list is paid off, add that payment (minimum and extra), to the minimum payment for the next debt on the list. Notice, your total monthly payment always stays the same. This will help you **pay off your debt much faster**.

Repeat this process until all debts have been paid off!



DEBT	BALANCE	MINIMUM MONTHLY PAYMENT	EXTRA MONTHLY PAYMENT	NEW MONTHLY PAYMENT
Total Debt (Add all balances)		Total Monthly Payment (Minimum Payments + Extra)		

## THE AVALANCHE METHOD



**PROS:** You usually pay less in interest than with the Snowball Method.



**CONS:** It may take a long time to pay off certain debts.

**1** Make a list of all your debts using the table provided. Start with the **debt with the largest interest rate** and end with the debt with the smallest interest rate.

**2** Determine if you can afford to put any extra towards your debt each month (**even \$10 can make a big difference**). Write this amount in the top box of the extra monthly payment column.

DEBT	BALANCE	INTEREST RATE	MINIMUM MONTHLY PAYMENT	EXTRA MONTHLY PAYMENT	NEW MONTHLY PAYMENT
<del>Credit Card</del>	<del>\$312</del>	<del>22%</del>	<del>\$50</del>	<del>\$10</del>	<del>\$60</del>
Car	\$10,560	8.9%	\$310	\$60	\$370
Student Loan	\$5,267	4.5%	\$120		
Total Debt	\$16,139		Total Monthly Payment (Minimum Payments + Extra)		\$490

**3** **Add the extra amount to the minimum payment** for the debt that is at the top of your list. Pay the minimum on all of your other debts.

**4** Once the first debt on the list is paid off, add that payment (minimum and extra), to the minimum payment for the next debt on the list. Notice, your total monthly payment always stays the same. This will help you **pay off your debt much faster**.

Repeat this process until all debts have been paid off!

DEBT	BALANCE	INTEREST RATE	MINIMUM MONTHLY PAYMENT	EXTRA MONTHLY PAYMENT	NEW MONTHLY PAYMENT
Total Debt (Add all balances)			Total Monthly Payment (Minimum Payments + Extra)		