Stuck in a mountain of

DEBT? Debt is stressful, it's expensive and

it limits the amount of money you can put toward your life goals

Ready to design a debt repayment plan? Start by gathering the following information:

GET ORGANIZED

LIST ALL OF YOUR DEBTS

There are many types of consumer debt, although some are more common than others:

CREDIT MEDICAL CARDS



LOANS

AUTO

LOANS

STUDENT



MORTGAGE





THE MINIMUM PAYMENT

\$1,400

19.05%

\$30/month

PERSONAL

LOANS

BALANCE INTEREST RATE

FOR EXAMPLE:

MINIMUM PAYMENT

DEBT Gold Rewards Credit Card Debt

CHOOSE A STRATEGY

THE SNOWBALL METHOD

The strategy you choose will affect

the order in which you pay off your debts:

This strategy is ideal for beginners or for those who

rely on visible progress in

order to feel motivated

WHO IT'S FOR

HOW IT WORKS

Debts are arranged and paid off from smallest balance to largest balance

HOW IT WORKS Debts are arranged and paid off from highest



WHY IT'S GREAT

Small debts are quickly

interest rate

WHO IT'S FOR

Ideal for those who truly

believe that slow and

steady wins the race-this

strategy requires discipline

and determination

interest rate to lowest

CONSOLIDATION **HOW IT WORKS**

A new loan is taken out and the borrowed money is used to pay off all your

other debts

WHY IT'S GREAT

This strategy eliminates

your most expensive debt

first, making it the most

mathematically powerful

debt repayment option

LOAN

WHY IT'S GREAT You only have one loan and one interest rate-to keep track of; factor in any additional fees before choosing this option

WHO IT'S FOR Those who are having trouble keeping track of

all their various debts and

repeatedly missing payment due dates as a result



top of your list

(which will vary,

based on your

chosen strategy)

will receive

its minimum

balance **plus** the additional funds you determined in Step 2

must have this total in your monthly budget

Add 'em up

Add up all your minimum

payments-you

every month—be in order to avoid generous and additional fees realistic

Make the Increase your payment minimums When you pay The rest of the off a debt, add

additional amount

of money to

put toward

loan repayment

their minimum payments

LOOK FOR LITTLE EXTRAS Challenge yourself to reduce your spending in one budget category

debts on your

list will receive



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its minimum

payment to the

repayment money

determined in Step 2

> your debt repayment fund. Switch the category every month to save some extra bucks without feeling deprived.

each month. Put the savings toward



TheSimpleDollar.com

Forbes, Investopedia.com, TheBalance.com,