

Smart Ways to Reduce and Avoid DEBT

Debt got you down? Between the mortgage, student loans and credit cards, paying everything off can feel impossible — but with these tips, it doesn't have to be!



Methods to Paying Down Debt

A better way to pay off credit cards or student loans.

Option 1: Rollover Formula

- 1 Attack the debt with the highest interest rate first, while paying minimums on the others.
- 2 When that debt is paid off, put that same payment amount toward the card or loan with the second highest rate.
- 3 Repeat until all debt is paid off.
- 4 Apply that monthly payment into your savings instead!

Option 2: Snowball Method*

- 1 Attack the debt with the smallest principal first, while paying minimums on the others.
- 2 When debt one is paid off, combine that payment with the minimum on debt two — your second smallest.
- 3 Your payment will increase each time you switch to the next debt up, so eventually, you'll be making the largest payment on the largest debt.

Avoiding Debt You Can Control

- Limit your credit card use to small purchases you'd make anyway, like gas and groceries.
- Pay off credit card balance monthly.
- Create an airtight budget.
- Stock your emergency fund for unexpected costs.
- Pick up a side hustle and put the income toward your debt.



Consider paying half your monthly payment every two weeks. Some months will have an additional payment, which could add up to one extra payment a year!