

HOW DO I MANAGE MY DEBT?

Debt Management

Debt management can be a difficult juggling act. Everyday life is already full of expenses—never mind any outstanding credit/loan balances. **You must make up your mind that you're just going to pay it! Non debatable!**

Thankfully, there are strategies available for handling the cost of debt.

Here are some strategies that can help you manage and eliminate your debt:

Debt snowball method:

- With this debt reduction method, you pay off the smallest debt you have to maximize payoff on the larger ones.
- Each debt paid off grows your spending power—reducing the cost of your debts in steps.
- This method also gives you a feeling of progress as you close out debts, which helps give confidence.

Debt avalanche method:

- Debt avalanche means starting with the debt that has the highest interest rate
- and paying that off first.
- Then, you apply that monthly payment to the debt with the next highest interest rate.
- This usually results in paying the least amount in interest over time.

Debt consolidation:

- Some borrowers choose to consolidate or combine debts, to get a lower interest rate and monthly payment on loans or credit cards.
- This can make the debt payment more affordable and free up income for other uses.
- Consolidation could be a helpful strategy if you have good enough credit, your debt burden isn't too heavy, and you have adequate income to pay your debts.

Increasing income:

- Picking up an extra shift, starting a side gig, and allocating a consistent amount toward debt reduction are great strategies for paying down debt.

Selling items:

- Clearing out closets and selling items you no longer want can be a fast and easy way to earn cash to put toward debt.

Tax refunds:

- Use your tax refund to pay down debt. It's a great opportunity to help meet your goals!

