

Avalanche your debt

If you carry multiple credit card balances, reducing your debt can feel overwhelming. But there are many techniques to help you tackle your debt. One strategy is to create a debt avalanche.



Here's how it works:

- Make a list of your credit cards, their balances, interest rates, and minimum payments.
- Evaluate your budget to determine how much money you have available to pay toward your debts.
- If you don't have much extra beyond your minimum debt payments, consider ways to bring in extra money to get your avalanche started.
- Identify the credit card with the highest interest rate. This is the one to pay off first.
- Each month pay the minimum balance on ALL your cards.
- Use any extra from your budget to pay more on your highest interest rate card.
- Once that card is paid off, move on to the card with the next highest interest rate while continuing to make minimum payments on all other cards.
- Each time you pay off a card, the amount of extra you can put towards your highest interest rate card goes up, creating a debt-paying avalanche.
- Your avalanche will pick up speed over time until you are credit card debt-free.
- Put away your cards, and don't use credit unless you know you have the money to pay the bill in full.