Snowball or Avalanche?

Choosing the Best Debt Repayment Strategy



There are two effective methods for tackling debt:

Snowball

Pay off the smallest balances first.

Avalanche

Pay off the highest interest balances first.

How It Works

Make minimum monthly payments on all debts

Put extra payments toward smallest debt

Once paid off, make payments on next smallest debt

Continue until debt-free

Make minimum monthly payments on all debts

Put extra payments toward highest interest rate loan

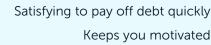
Once paid off, make payments on next highest interest rate loan

Continue until debt-free









Saves more in interest long-term





Pay more in interest long-term

Longer wait to see the first debt paid off

Less motivating





People who are motivated by seeing results quickly

People who excel at meeting long-term goals without immediate results

Start paying off your debt today.