

# WORKSHOP 7: SUMMARY

We began this section by writing down how we feel about debt now and how we would like to feel about it in the future. We acknowledged the toll that debt can take on our mental health and centered our class around **hope**.

Getting out of debt is possible.

Next, we followed the steps to figure out how much we owe and how to calculate our *debt-to-income* ratios, which determine our ability to pay off our current debts.

We learned about 3 different methods to organize our debt payments: 1) the long-term strategy, 2) the interest-rate strategy, and 3) the month-to-month strategy. We also learned about the snowball technique, which is the quickest and most efficient way to pay off debt.

Then, we explored some additional payment options, such as debt consolidation loans and debt settlements.

The final option we considered was bankruptcy. We discussed the pros and cons of bankruptcy and how it should only be used as a last resort option.

Finally, keeping our financial PDPs in mind, we created an Action Plan for paying off our debts.