

This method will significantly reduce the amount you pay in interest over time, which can save you hundreds of dollars, and can be a great way to pay off large amounts of debt relatively quickly. However, this method requires discipline. In order to do the avalanche technique correctly, you need to commit to budgeting out a significant amount of money each month to paying off your largest debt. This method assumes an individual has a steady income in which they can allocate enough money each month to make these additional payments consistently.

These are both fantastic methods for paying off debt in an accelerated manner. Although it may take longer and cost more in interest in the long-run, the snowball technique is likely a better strategy for individuals on a budget who cannot put significant amounts of money toward their debt payoffs every month. You might also choose to combine the methods by choosing a debt that's relatively small but carries a high interest rate and start paying that off first.

Which technique you choose will depend on your unique financial situation and personality. The best method is the one you can realistically stick to.

Tips for Short-Term Debt Payoff:

- Make paying off debts part of your budget
- Pay off the highest interest debt first
- Do not accumulate more debt
- For past due bills or debt payments, call the creditors and settle on a payment plan. They will work with you and are accustomed to people asking for leniency.⁹³

Links for Calculating Debt Payoff:

- http://www.moneychimp.com/features/debt_payment_calculator.htm
- <http://www.bankrate.com/calculators/credit-cards/credit-card-payoff-calculator.aspx>
- <https://www.cnn.com/business/calculators/credit-card-payoff-calculator>

Resources for Paying Off Debt:

- <https://www.thebalance.com/debt-elimination-plan-2385990>
- <https://www.nerdwallet.com/blog/pay-off-debt/>

⁹³ "Personal Finance and Economic Empowerment." Presented by Sebastian Rodrigues and Jessica Carrol at Peerpocalypse, 2021.