These numbers illustrate how making minimum payments on your credit cards costs an enormous amount of money over time. Keep this in mind if you plan on using the long-term strategy.

The key to paying down credit card debt: Pay as much over the minimum as possible so that more of your payment goes toward the principal, rather than for interest payments. Even an extra $50 a month can make a huge impact on the average credit card bill.

If you find you cannot pay extra or enough to make a dent, then a consolidation loan might be your best option. While the monthly payments may be more than that minimum credit card payment, you'll know what the cost will be each month and when the debt will be paid in full.

The Interest-Rate Strategy

This strategy involves organizing your debts based on their associated interest rates. As you know from the previous workshop, interest rates can significantly increase the amount of money you owe on loans and bills. Therefore, this strategy focuses on paying off high-interest debts first to reduce the long-term effects of interest.

To follow the interest-rate strategy, gather all of your bills and order them by their interest rate, with the highest rates as the top priority. Work towards paying off your debts with the highest interest first, then move on to bills with lower interest.

If you decide to use this strategy, it's best to use the Effective Interest Rate (EIR). The EIR takes into account any tax deductions you may receive on the debt, such as the deductions you can receive for mortgage and student loan interest, and is usually lower than whatever is stated on the paperwork. If you are not sure what the EIR of a certain debt is, just go with the listed interest rate, starting with the highest and ending with the lowest.

Note: These tax deductions depend on several factors, and you may or may not qualify. It is best to see a tax professional or do some research online to check eligibility.

The Month-to-Month Strategy

This strategy is best suited for those who are currently unable to meet their debt obligations each month. The goal is to reduce the amount you pay in dollars each month. As such, this strategy is a short-term fix for what are likely longer-term financial problems.