

Title:

Action Plan: How to power down your debt NOW

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254

Summary:

It will take you on average between 25 to 30 years to pay off your credit card at the minimal amount. This will not do.

Keywords:

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Article Body:

It will take you on average between 25 to 30 years to pay off your credit card at the minimal amount. This will not do.

Make a list of all of your credit cards (including all consumer debt such as doctor bills, furniture stores and your home).

List the following in columns: the type of credit card, principle amount, regular payment amount, power down payment, interest rate, total number of payments left on the card, estimated payoff date. Put your list in order of how many payments are left from least to most. If you make a minimum payment of \$55/month on one of your cards until it is paid off in full, you then have \$55/month freed up to add to the minimum monthly payment for the next credit card. After you pay off the second card, the amount you were paying on that one can be applied toward the third card. By doing this, you will decrease the number of years required to pay off your credit cards from approximately 30 years to nine years.

Using this strategy, think about the other ways you can free up money. If you spend about \$100 at Starbucks each month, think about spending that money toward your credit card payments.

Remember, money is emotional. We spend and make money based on emotional compulsion. Go back and see what you spent money on in the last week and how much you spent. It's not how much money you make that matters, but how well you manage it that counts.