

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

Pros

Satisfying to pay off debt quickly
Keeps you motivated

Saves more in interest long-term

Cons

Pay more in interest long-term

Longer wait to see the first debt paid off
Less motivating

Who It Works for

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.

A financial professional can help you tackle your debt in alignment with your goals.