

DEBT PAYOFF STRATEGY

SNOWBALL vs AVALANCHE

\$25,000 DEBT EXAMPLE | \$300/mo EXTRA PAYMENTS

SNOWBALL Smallest Balance First

TOTAL INTEREST

\$4,850

FIRST WIN

~3 months

CHOOSE THIS IF...

- You need quick wins to stay motivated
- You have small debts to eliminate fast
- You've tried debt payoff before and quit
- Your interest rates are similar (within 5%)
- Emotional progress matters more than math

BACKED BY HARVARD RESEARCH

AVALANCHE Highest Interest First

TOTAL INTEREST

\$3,920

TIME TO FREE

31 months

CHOOSE THIS IF...

- You're disciplined and patient
- You have high-interest debt (20%+ cards)
- You want to minimize total cost, period
- Math matters more to you than feelings
- Your largest debt has the highest rate

SAVES \$500 - \$3,000+ IN INTEREST

HEAD-TO-HEAD COMPARISON

	SNOWBALL	AVALANCHE
Total Interest	\$4,850	\$3,920 (saves \$930)
Time to Debt-Free	32 months	31 months
First Debt Eliminated	~3 months (quickest)	~8 months
Psychological Boost	★★★★★	★★★██
Completion Rate	HIGHER (Harvard)	LOWER

EXAMPLE: \$25,000 IN DEBT

Credit Card 1 \$5,000 22%	Credit Card 2 \$3,000 18%	Personal Loan \$5,000 12%	Car Loan \$12,000 6%
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THE HYBRID APPROACH

Start with 1-2 small debts (snowball) for momentum, then switch to avalanche for max savings.