

## ► Snow Ball Method Example

After reviewing your monthly budget and expenses, determine how much are you able to pay on your debts each month.

Every household will have different dollar amounts they can afford. If you can afford to pay more on your debts each month, that's great! If less, that's great too! Just make sure you really understand your budget to be able to figure what you can afford each month.

For this chart example we are going to say that we have \$1,000 per month available to pay on our debts.

With all of our monthly minimum payments calculated, we are left with \$645 to pay on our first debt!

Keep in mind that this is just an example, every household has different budgets and different debts.

**Tip:** If you make a bonus at work or when you get your tax returns, why not throw that extra money into your debts!

	Debt 1	Debt 2	Debt 3	Total Monthly Payment
<b>Debt Owed</b>	\$1,290	\$10,630	\$26,800	
<b>Min Payment</b>	\$13	\$100	\$255	
Months				
1	\$645	\$100	\$255	\$1,000
2	\$645	\$100	\$255	\$1,000
3		\$745	\$255	\$1,000
4		\$745	\$255	\$1,000
5		\$745	\$255	\$1,000
6		\$745	\$255	\$1,000
7		\$745	\$255	\$1,000
8		\$745	\$255	\$1,000
9		\$745	\$255	\$1,000
10		\$745	\$255	\$1,000
11		\$745	\$255	\$1,000
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13		\$745	\$255	\$1,000
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15		\$745	\$255	\$1,000
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18			\$1,000	\$1,000
19			\$1,000	\$1,000
20			\$1,000	\$1,000
21			\$1,000	\$1,000
22			\$1,000	\$1,000
23			\$1,000	\$1,000
24			\$1,000	\$1,000
25			\$1,000	\$1,000
26			\$1,000	\$1,000
27			\$1,000	\$1,000
28			\$1,000	\$1,000
29			\$1,000	\$1,000
30			\$1,000	\$1,000
31			\$1,000	\$1,000
32			\$1,000	\$1,000
33			\$1,000	\$1,000
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35			\$1,000	\$1,000
36			\$1,000	\$1,000
37			\$1,000	\$1,000
38			\$1,000	\$1,000

**Debt Paid off in just 38 months!**

	Debt 1	Debt 2	Debt 3	Debt 4	Debt 5	Debt 6	Total Monthly Payment
Debt \$ Owed							
Min Payment							
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	Debt 1	Debt 2	Debt 3	Debt 4	Debt 5	Debt 6	Total Monthly Payment
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	Debt 1	Debt 2	Debt 3	Debt 4	Debt 5	Debt 6	Total Monthly Payment
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