

AVALANCHE vs SNOWBALL

Essential Facts at a Glance • 2026

BOTH START HERE



Balance = amount still owed.
APR = yearly borrowing rate.
Minimum = required monthly payment.
Pay **EVERY** minimum, **EVERY** month.
Send extra money to **ONE** debt.

Takeaway: Every debt. Every month.

SNOWBALL



Target the **SMALLEST BALANCE**.
Add extra money to its minimum.
When it is paid off, roll its whole payment to the next smallest debt.

Takeaway: Earlier wins can build momentum.

AVALANCHE



Target the **HIGHEST APR**.
Add extra money to its minimum.
When it is paid off, roll its whole payment to the next highest-rate debt.

Takeaway: Focus: lower total interest cost.

OUR EXAMPLE



Card	Balance	APR	Minimum
A	\$800	15%	\$25
B	\$2,500	21%	\$65
C	\$5,000	27%	\$130

\$8,300 total debt.
\$220 minimums + \$200 extra
= \$420 per month.

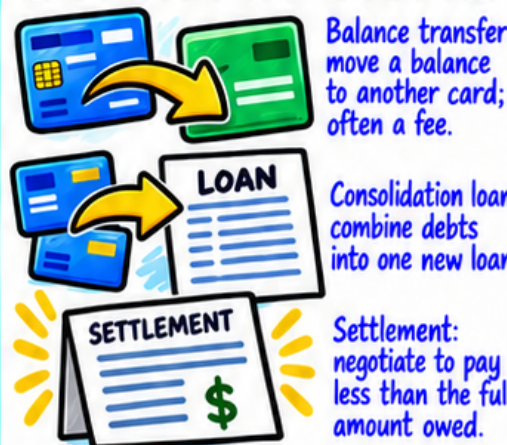
EXAMPLE RESULTS



	Snowball	Avalanche
First payoff:	Month 4	Month 19
Total interest:	About \$2,595	About \$2,240

Both finish in month 26 in this example.
Snowball: first win 15 months sooner.
Avalanche: about \$355 less interest.
Assumes monthly interest, fixed APRs and minimums, no new charges. Real results vary.

OTHER OPTIONS



Takeaway: Settlement can affect your credit.

BUILD YOUR PAYOFF PLAN

- 1 List balances, APRs and minimums.
- 2 Choose **ONE** debt for extra payments.
- 3 Roll each paid-off debt's payment forward.

The best plan is one you can follow every month.

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