

OCTOBER
TOPIC

Breaking Free from Debt

Practical Steps to Reduce Financial StressSteve Small, AIF®, AAMS®
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Breaking Free from Debt

Debt can feel like more than a monthly bill. It can crowd out other goals and make everyday decisions stressful. Whether you are managing credit cards, medical bills or loans, a clear plan can help you regain a sense of control. You do not have to solve everything at once; start with one step you can sustain.

Start with a clear picture. List each debt's balance, interest rate, minimum payment and due date. Compare your take-home pay with essential expenses and required payments. Protect basics such as housing, utilities, food and transportation before deciding how much extra you can put toward debt.

SMALL WINS. BIG MOMENTUM.

~~\$250~~

PAID OFF



\$600

YOUR NEXT WIN



\$1,400

KEEP IT GOING

Illustrative balances | Smallest to largest

Start small. Build belief. With the **debt snowball**, list your nonmortgage debts from smallest balance to largest, regardless of interest rate. Make minimum payments on all debts and put any extra money toward the smallest one until it is gone. [1]

Turn each payoff into momentum. Roll the payment from the debt you eliminated into the next smallest debt. Each cleared balance gives you a visible victory and a larger payment to tackle the next one. Those quick wins can help you stay motivated. [1]

Make your plan easier to follow. Build a realistic monthly budget, avoid taking on new debt and look for one expense you can trim to feed your snowball. Keep a small starter emergency fund so an unexpected bill does not derail your progress. Schedule a weekly check-in to track payments and cross off each balance you eliminate.

Ask for help early. If a minimum payment is out of reach, contact your creditor before the due date. Explain what you can afford and ask about hardship options. A reputable nonprofit credit counselor can help you review your budget and repayment choices; ask about fees before enrolling. [2][3]

Progress matters more than perfection. Celebrate each paid-off account with a simple, no-cost reward: mark it on your tracker or share the milestone with someone who supports you. Seeing the list get shorter can make the next step feel possible. Keep repeating the process, one debt and one victory at a time.

Money Minute

List your nonmortgage debts from smallest balance to largest. Circle the smallest one and choose an extra amount your budget can support this month. That is your first target. When it is paid off, cross it out and roll that payment into your next debt.

Helpful Resources

[1] [Ramsey Solutions - How the Debt Snowball Method Works](#)

[2] [CFPB - When You Cannot Pay Your Credit Card Bills](#)

[3] [CFPB - Understanding Credit Counseling](#)