

FOCUSED, The Financial Freedom Formula

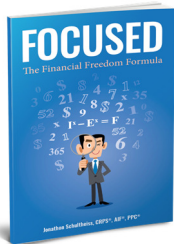
Debt Snowball Chart

Debt	Payoff	Min Payment	Monthly Payment	Sold Items	Snowball (from monthly budget)	Snowball Plus Payment	Estimated Months to pay off
Credit Card #1	\$1,000	\$25	\$30	\$1,000	\$500	\$530	0
Credit Card #2	\$2,500	\$75	\$75		\$530	\$605	5
Credit Card #3	\$7,500	\$225	\$225		\$605	\$830	10
Car Payment	\$10,250	\$300	\$300		\$830	\$1,130	9
Amount of Debt Paid off	\$21,250						24 months

Steps to using the chart

1. List all of your debts in the debt column.
2. List the payoff in the payoff column. List your debt in order of smallest to largest.
3. List the monthly payments in the payment columns
4. If you were able to sell anything around the house that you don't need, list it in the 5th column.
5. List the amount of money you have been able to free up from your monthly budget and savings. This is the Snowball.
6. Apply the regular payment with along with the snowball amount in the 6th column.
7. Take the Payoff amount and subtract any sold item money you have and then divide that by the amount to apply to debt. That will give you the estimated time to pay off the debt.
8. Continue to the next debt using the snowball money plus the payment from the previous debt and the payment to that debt.
9. Divide the payoff by the amount to apply to debt (the amount should include the snowball, payment of previous debt, and payment of that debt). This will give you an estimate o when that debt will be paid off.
10. Continue the process for the rest of the debt you have.
11. Add the number of months at the bottom and the amount of debt. This will give you the amount of debt you can pay off and the time from for when you can become debit free.

In this example this person would be able to pay off \$21,250 in 24 months using only the \$500 they freed up in the budget and \$1,000 from selling things around their house.



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