CREDIT DAD

Same $300. Different order

Both plans keep the other required payments covered.

SAME THREE UNSECURED DEBTS

A: $500 at 12% APR

B: $1,500 at 24% APR

C: $3,000 at 18% APR

SNOWBALL

Smallest balance first: A

Month 1: A $175 | B $50 | C $75

First debt gone: month 3

Total modeled interest: $854.80

Order: A, then B, then C

AVALANCHE

Highest APR first: B

Month 1: A $25 | B $200 | C $75

First debt gone: month 9

Total modeled interest: $806.81

Order: B, then C, then A

Both finish in month 20 here.

Avalanche costs $47.99 less.

Fixed payment floors: $25 / $50 / $75. APR / 12 interest added and rounded monthly before payments. No fees, new debt or rate changes.

Fictional model, not a payoff promise. Early progress and total cost are different measures. See the article for the full method.

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