

Published based on [The Secret Of Getting Out Of Debt](#)

The Secret Of Getting Out Of Debt

If you are drowning with debt and wish to return to your life and be free again, here's a method you can use to get yourself out of debt. It's not a quick solution, but when used effectively, it could get your debt paid off without borrowing additional money. It's known as the "debt snowball" method popularized by Dave Ramsey. Basically, what you do is line up all of your debts and pay back the tiniest balance first. When you pay that one off you begin the next lowest balance. The method works because of psychology. Once you've payed off one debt, you'll feel like you have accomplished something and it'll have a snowball effect. So here are the steps:

1. List all your debts with the smallest balance first.
2. Still pay the minimum payment on the other debts.
3. Now you find some extra money by reducing elsewhere and begin paying extra (above the minimum payment) toward the littlest balance or lowest apr debt.
4. Once you've paid off the first debt, you use the minimum payment from that debt towards the next lowest balance on your list.
5. One by one, you apply the minimum payments from the old debt toward the new debt and ultimately repay all of your debt.

For this to work, you need some discipline. It's tempting to want to spend the extra cash on another thing instead of eliminating the debt. You have to tell yourself that you've gone without that extra money before so you can do it again. Don't try and put too much extra toward the first debt. You don't want to strain your finances too much or you may stop the program.

Being in debt is stressful. Getting out of debt is hard. Mentally, you must focus and keep in mind what a fantastic stress-free feeling you will have when you're finally debt free. Try and set an objective, like a vacation you've always wanted to take. This can keep you motivated and focused through the entire program so you don't quit. What you really should do is begin to use the money that used to go towards debt and start investing it wisely. Going back to your old habits will undoubtedly bring you back in the exact same situation.

Check out my awesome blog on debt management and investments at www.moneymanagementinfo.net. Also make sure to read my article on the [10 Rules For Financial Success](#).