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# 5 Smart Strategies for Paying Down Debt



Navigating Your Financial Journey  
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By Sarah Netter

Debt is a constant weight on your shoulders, a worry that you can't quite shake. Whether it's credit card bills, student loans, car loans or mortgages, [Americans are drowning in debt—to the tune of \\$12.35 trillion.](#)

With a new year often comes a new resolve to get your financial house in order. Check out these tips for paying down your debt:

**Stick to a strict budget.** This may seem obvious, but it can be difficult to follow through. It's often second nature to join co-workers for a quick drink after work or order in a pizza on a rainy night.

Amber and Danny Masters, who chronicle their student loan paydown of more than \$600,000 on the blog [RedTwoGreen.com](#), set their monthly budget at \$3,000 and refuse to go even a



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Phil Risher, who works in sales and customer service near Washington D.C., [paid off \\$30,000 in student loans in 12 months](#) by sticking to his budget. It wasn't easy, he said, but well worth the effort.

"It is hard when you see your peers buying things and moving into nice places," he said. "My co-workers used to joke with me because I brought my lunch every day and sat on a bench at a local park and ate. It is also hard when things pop-up that you did not necessarily budget for."

**Take a side gig.** Also called the "side hustle," this gives you extra money to work with, allowing you to pay off your bills faster.

Lyn Alden paid off \$35,000 within the first five years of graduating college by freelance writing and blogging on the side to tackle her debt.

"It boosted my debt payoff rate by 50% with only a little extra work," said the founder of [Lynn Alden Investment Strategy](#).

"Suppose someone makes \$35,000 in after-tax income, and has \$25,000 in expenses. That leaves them with just \$10,000 for both retirement savings and debt payoff, which isn't much," she said. "Now, if they go out and get just \$5,000 per year in extra after-tax income from a side hustle, while keeping their expenses the same, they'll be able to put that entire \$5,000 towards debt payoff."

That means despite a small increase in net income, the savings and debt payoff rate increased by a full 50 percent, from \$10,000 to \$15,000.

That side gig doesn't have to mean standing on your feet for an extra four hours each day. You could be a dogwalker, babysitter, tutor, virtual assistant, consultant, hairstylist, makeup artist or housekeeper.

**Sync mortgage payments to your paycheck.** Ready to make a dent in that house payment? Set up an automatic bi-weekly payment plan with your mortgage holder. This will break down your amount due into smaller portions due every two weeks. And with two months out of the year with an extra paycheck, you will make an entire extra payment once per year.

The advertisement features the CFPB logo at the top left. The main text reads "YOU HAVE THE RIGHT to have your financial complaint heard." Below this is a blue button with the text "THE CFPB CAN HELP". A large green speech bubble with a white checkmark is positioned in the center. At the bottom, there is a small American flag icon and the text "U.S. Government Agency".

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are signing up for store-based discounts like Target's Cartwheel.

Jen Smith, of St. Petersburg, Florida, went a step farther, changing not just how she and her husband shopped, but where.

"Looking for sales and coupons wasn't enough. I started shopping at discount grocery stores and buying at thrift stores and pawn shops. These smaller stores have less variety which means less temptation," she said. "We save a lot by staying out of major retail stores."

And those savings mean they paid off \$61,000 in debt in 15 months. Smith now [blogs about her savings tips](#), which also include buying used clothes and refurbishing old furniture.

**Try debt snowflaking.** Not everyone can take on extra work or avoid trips to the grocery store or even spare one extra mortgage payment a year. But everyone can find a little something extra to put toward debt. It's called "[debt snowflaking](#)"—putting even a small amount of extra money toward your debt.

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