## THE DEBT REDUCTION WORKSHEET

Methods for debt reduction:

1) Dave Ramsey's Debt Snowball (Smallest balance to largest balance)
2) David Bach's Debt Free Solution (Smallest to largest DOLP* number)
3) Larry Burkett Method (Highest interest rate to smallest)

I don't care which method you use as long as you do it!!
With extreme focus and intensity, pay off the first debt as quickly as you can. Sell stuff, take on a temporary part-time job, sacrifice non-essential lifestyle items and get that debt reduction going!

| Item | Total <br> Balance | Minimum <br> Payment | New <br> Payment | DOLP <br> Number | Cumulative <br> Payments |
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*DOLP Number = Take the current outstanding balance on each statement and divide it by the minimum payment that particular card company wants from you. (For example, your credit card balance is $\$ 400$ and the minimum payment is $\$ 16$. Dividing the total debt (\$400) by the minimum payment (\$16) gives you a DOLP number of 25 .

