

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!

<u>ltem</u>	Total <u>Balance</u>	Minimum <u>Payment</u>	New <u>Payment</u>	DOLP <u>Number</u>	Cumulative <u>Payments</u>

*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.