



## 4 Tips for paying down debts quickly

### Description

Having debt is a normal part of modern life, but it can really wear you down if your debt starts to feel unmanageable. Whether you're feeling the weight of your student loan, credit card debt or monthly car payment, there may be steps you can take to pay down your debts quickly. By doing so, you might be able to free up more money for yourself in the long term and avoid paying a lot of interest for years to come.

If the amount of debt you're carrying feels like too much to manage on your own, you could try consolidating it with a new personal loan from a bank, credit union or online lender. It's important to understand the [pros and cons of debt consolidation](#) first, however. Debt consolidation could help you streamline your debts into one lower monthly payment, optimally with a lower interest rate than what you're currently paying. But depending on the length of the repayment term, you could end up paying more interest in the long run.

Here are four other ways you may be able to pay down your debts quickly.

### Reallocate your spending

Taking a hard look at the money you have coming in and going out could help you find a way to pay down your debts more quickly. Creating a detailed budget could help you see where you're spending too much, how to cut back on nice-to-have expenses and how much you're putting toward paying down your debts.

If you're able to reorganize your spending into essentials (utilities, rent and groceries) and non-essentials (takeout, streaming subscriptions and gym memberships), you might find places to cut back so you can increase your monthly debt payments. Even redirecting small amounts of money toward your debts can help.

One way to make this process slightly easier is to set goals and rewards for yourself along the way. For example, if you increase your debt payments in the next three months, you could book a spa day or meet up with friends at your favorite restaurant as a reward.

## Figure out how to prioritize your debts

If you're set on paying down your debts as quickly as possible, you'll want to choose the right strategy to get you there. There are two common debt repayment methods: debt snowball and debt avalanche. The debt snowball method can help you pay off multiple smaller debts quickly, which can motivate you to keep going. The debt avalanche method makes a more significant upfront dent in your debt and the overall amount of interest you owe. Here's a more detailed breakdown:

### Debt snowball

- Pay off your smallest debt first, followed by the next smallest debt.
- Use the money you're saving from paying off the first debt to make larger payments on the second debt.
- Continue this cycle until your debts are paid in full.

For example, if you have a medical bill that is \$1,000, a credit card bill of \$3,500 and a \$10,000 car loan, you should prioritize paying off the medical bill and work your way up.

### Debt avalanche

- Pay off the debt with the highest interest rate first. Once you've paid off that debt, do the same for the debt with the next highest interest.
- Use the money you're saving from paying off the first debt to make larger payments on the second debt.
- Continue this cycle until your debts are paid in full.

If you choose this method, you might pay off the credit card bill first because it likely has the highest interest rate compared to other debts.

No matter which method you decide to go with, you should continue to pay at least the minimum balance on all your other accounts to keep them current.

## Earn extra money

Earning extra income is another way to help pay down your debts. Try taking on a side gig, freelance work, consulting or a part-time job, and put your extra earnings toward paying off your debts. Food and grocery delivery, rideshares, pet sitting and content creation are all opportunities you could take part in a few days per week or month.

## Seek help from a financial advisor

A certified financial advisor or counselor could help you create a budget and debt repayment plan that is specific to your income and lifestyle.

If you don't have the extra funds to pay for an advisor, there are nonprofit credit counseling organizations that often offer free or discounted services.

## Simple changes could help you pay down your debts

If you feel bogged down by monthly debt payments, now might be the time to focus on paying down your debts as quickly as possible. With a few adjustments, you could come up with a better strategy for tackling the money you owe. Reallocating spending, prioritizing debt, earning extra money and asking for support when you need it could all help you gain control over your finances.

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