

educating for financial freedom: debt management



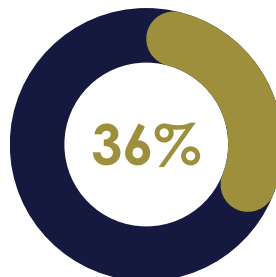
debt service ratio



total monthly loan payments

monthly gross income

everyone's tolerance for debt is a little bit different, but as a rule of thumb, you want your total monthly debt payments to be under 36% of your monthly gross income



debt elimination

- organize and identify all outstanding debts
- have \$5,000 saved in an emergency fund
- continue to contribute to the 401(k) plan
- use the "debt snowball spreadsheet"



check out our video

rather watch than read? scan the QR code to watch a short video

find more resources including the debt snowball spreadsheet at [intellicents.com/resources](https://www.intellicents.com/resources)

pro tip

do not charge more on a credit card than you can pay off at the end of the month; credit cards carry some of the highest interest rates.

