Snowball or Avalanche? Run Both

Same debts. Two orders. The honest answer is to look at both.

Ask the internet how to pay off debt and you'll start an argument. One camp says pay the smallest balance first — the snowball. The other says pay the highest interest rate first — the avalanche. Both camps talk like the other one is a scam.

They're both just orders. And the only way to know what the order is worth *on your debts* is to run both, on your own numbers, and look. That's what this lesson does — with one real set of debts, run both ways, side by side.

The example — five debts, two orders, one surprise

Here's the worked example printed on our Debt Payoff Calculator:

1. **Store card** — $420 owed, 24.99% interest, $25 minimum
2. **Visa card** — $860 owed, 21.99% interest, $30 minimum
3. **Personal loan** — $1,750 owed, 11.99% interest, $85 minimum
4. **Medical bill** — $2,650 owed, 0.00% interest, $45 minimum
5. **Car loan** — $5,400 owed, 6.49% interest, $286 minimum

Total owed: **$11,080**. Minimums all together: **$471 a month**. The example adds **$110 extra** a month, so the household is paying **$581 a month** in total — the only question is what order the extra attacks in.

Snowball (smallest balance first): debt-free in **21 months — July 2028** — paying **$587.40 in interest**. Total out the door: $11,667.40.

Avalanche (highest interest first): also **21 months**, also **debt-free July 2028** — paying **$571.11 in interest**. Total: $11,651.11.

The difference between the two orders, on this list, is **$16.29**. That's the sheet's own printed verdict, and it's the whole gap. Sixteen dollars and twenty-nine cents, over twenty-one months.

Now the number that actually matters. **Minimums only** — no extra, no order, just paying what's asked — takes **59 months**, debt-free September 2031, and costs **$1,003.79 in interest**. The extra $110 a month is what cut the timeline from 59 months to 21 and saved over $400 of interest under *either* order. **The extra did the heavy lifting. The order was the small print.**

The steps

- **List every debt** with three numbers: the balance, the interest rate, and the minimum payment.

• **Run the snowball order on paper.** Sort smallest balance to largest. Pay every minimum, aim all your extra at the smallest, and when one dies, roll its whole payment into the next. Note the finish date and the interest.

• **Run the avalanche order.** Same debts, same extra — but sorted highest interest rate first. Note the finish date and the interest for this run too.

• **Compare the two runs honestly.** How many months apart are the finish dates? How many dollars apart is the interest? On many real lists — like this one — the gap is smaller than the argument suggests.

• **Pick the order you'll still be following in month six**, and then don't re-litigate it. The best order is the one that keeps you paying the extra, because the extra is where the power is.

The honest part

The avalanche *did* win here — by $16.29. On a different list, with a big high-interest balance sitting at the bottom, the gap can be real money, and you should run both precisely so you'll know. What the snowball buys, when the dollars are close, is an early finish: the $420 store card dies fast, and a person who has killed one debt believes the plan works — and a person who believes keeps going. Neither order rescues a plan with no extra in it. Minimums only is the expensive option, whichever flag it flies.

The free way

A notebook page works: one line per debt with its balance, rate, and minimum — then sort the page twice, once each way, and work each run through with a pencil. It's slow by hand, and for five debts it's an evening, not a project. Plenty of people run both orders on paper and never need anything fancier.

If you'd like the arithmetic done for you — both orders run side by side, with the finish dates and the interest gap spelled out — the ready-made version from this lesson is in our shop: the Debt Payoff Calculator Spreadsheet.