FINANCIAL FREEDOM ROADMAP

The Debt Payoff & Family Cash Flow Guide

Proven Methods to Eliminate High-Interest Liabilities and Build Emergency Reserves

1. The True Cost of High-Interest Consumer Debt

Paying only the minimum balance on a $5,000 credit card at 21.99% APR will take over 18 years to pay off and cost more than $6,500 in interest alone.

2. Choosing Your Debt Payoff Method

• **The Avalanche Method (Highest Math Efficiency):** List all debts in order of interest rate (e.g. 21.99% card first, then 9% personal loan, then 6% car loan). Pay minimums on all, and put every extra dollar toward the highest interest debt.

• **The Snowball Method (Highest Psychological Momentum):** List debts by smallest balance first. Pay off small balances quickly to build confidence and reduce monthly commitments.

3. The Canadian 50 / 30 / 20 Budget Rule

• **50% Essentials:** Housing, utilities, groceries, transportation, and basic insurance.

• **30% Lifestyle & Family:** Dining, recreation, personal spending, and family visits.

• **20% Debt Elimination & Future Wealth:** Extra debt payments, emergency fund savings, and registered investments (TFSA/FHSA).

4. Building a 3-Month Emergency Reserve

Keep 3 to 6 months of essential expenses in a separate high-interest savings account. This prevents an unexpected vehicle repair or job change from forcing you back into credit card debt.

> **Take Action Today**
> Book a free policy and cash flow audit with Sukrah Mebude, MBA, to structure a realistic, debt-free timeline.