5 Mistakes to Avoid with the Snowball Method

While the snowball method is extremely effective when used correctly, there are a few mistakes you can make to derail your progress.

If you want to ensure you’re getting it right, below you’ll discover 5 mistakes to avoid when using the snowball method.

1. Carrying on using your credit cards

While you’re following the snowball debt method, it’s crucial you stop using your credit cards. If you don’t, you’ll simply be building up more debt that you need to pay off.

The method requires you to stop generating more debt and to focus all of your energy on paying it off. So, make a conscious effort to stop using any lines of credit you have. This will also train you to make heathier spending decisions in the future once the debts have been eliminated.

2. Not rolling over payments to other debts

A very common mistake people make when following the snowball method, is failing to roll over the payments to the next debt. So, say you’ve finished paying one of the debts off. You want to celebrate the fact that you now have extra cash available each month. So, you add some of the money you’ve saved onto your monthly household budget.

While initially this may seem like a great idea. After all, you’ve spent months saving and paying off your debts, going without the things that you want. So, having a little spare cash just for you is your reward for doing so well. However, all you’re really doing is prolonging the amount of time you’re in debt.

The snowball method will only work if you use the money you’ve saved from the eliminated debt, to pay off the next one. It’s how you’ll get out of debt quickly so don’t be tempted to hold some of the money back unless you absolutely need to for emergencies.

3. Trying to focus on more than one debt at a time

The snowball method requires you to focus on one debt at a time. This means, making just minimum repayments on the other debts until the first one is cleared. It can be tempting to try and pay off two small debts at the same time, rather than just one. However, this could potentially see the snowball method fail.

Trying to focus on more than one debt can be overwhelming. It’s also going to slow down the process, so you won’t see results as quickly as you would just paying off one of your debts at a time.

4. Forgetting other bills

There’s a big risk you’ll forget about your standard monthly bills when you start the snowball method. You’re so focused on your debts, you forget about the household bills that are due to come out.

If you forget to make these bill payments, it’s going to go against you on your credit score. You’ll also end up owing extra money the month after. This could easily spiral into another debt you need to take care of.

So, you’ll want to make sure you set your monthly bills to be paid automatically. That way, you won’t even have to think about them and you can continue to focus all of your energy on paying off your debt.

5. Failing to track your progress

A large reason why the snowball debt method works is because you continuously see progress. That is of course, if you monitor it. If you don’t keep track of what you’re paying, you won’t be able to see how well you’re doing. This in turn can zap your motivation, causing you to go off track.

So, as you make payments against your debts, mark down how much is left remaining to pay. As you see it getting smaller, it pushes you to carry on and gives you a high seeing your progress.

Overall, the snowball debt method can be extremely effective at eliminating debt quickly. However, as you can see above, there are some mistakes you’ll need to avoid if you want to ensure it works for you.