

DAVE SAYS:

# What’s the reason for smallest to largest on the debt snowball?

**Dear Dave,**  
Why do you recommend paying off your debts from smallest to largest when doing the debt snowball?

**Mike**  
**Dear Mike,**  
This is a really good question! A lot of people wonder the very same thing when I bring up the subject of the debt snowball.

Many folks think paying off the debt with highest interest rate first is the best approach. This seems to make sense mathematically, but I realized a long time ago if those people could do math they wouldn't be drowning in debt in the first place! Debt is not a mathematical problem, it's a behavior problem. I'm convinced that personal finance is 80 percent behavior, and only 20 percent head knowledge.

The reason the debt snowball pays off debt from smallest to largest—even though it may be mathematically incorrect—is that modifying your behavior and inspiring your desire to get out of debt is more important than the math. Your probability of becoming wealthy has more to do with your behavior than your financial sophistication or academic pedigree. And besides, I'm a practical application kind of guy—not a theory guy. That's why my way actually gets

people out of debt when lots of other practices fail.

When you pay off a small debt it means you've experienced success, and that gives you hope. Then, you move on the next larger debt. When you pay that one off—and you've wiped out two debts—it really energizes you. At that point you start to believe in yourself and that you're on the road to becoming debt-free!

— Dave

**Repaid the money, but relationship suffering**  
**Dear Dave,**  
I borrowed money from my parents and paid it back over time, but now the relationship has become very difficult and strained. How can I fix this?

**Claudia**  
**Dear Claudia,**  
If you paid them back, especially if it happened slowly or intermittently over time, there's really not a lot you can do if they choose to hold a grudge over the situation.

Generally speaking, though, it just takes a little time to heal these kinds of things. My guess is they'll become more and more forgiving as time goes by now that they've been paid back.

I'm sorry you have to go through this, but I hope you've learned a valuable lesson in the process. Someone who lends money to a loved one has their heart—not their head—in the right place. It's okay to give money as a gift sometimes, but loaning money to or borrowing from someone you know will usually lead to broken hearts and broken wallets.

The borrower is always slave to the lender, Claudia. Besides, holiday dinners taste better when friends or relatives don't owe each other money. Eating with your master isn't nearly as much fun as eating with your family!

— Dave

\* For more financial help, please visit [daveramsey.com](http://daveramsey.com).

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