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*Listening, learning,  
and living together:  
it's the science of life.*

## **PowerPay Your Way out of Debt** <sup>1</sup>

*Patricia Bartlett and Josephine Turner*<sup>2</sup>

Many of us carry an unpaid balance on our credit cards and think by paying the minimum amount suggested, we'll get the card paid off. Not so: those minimum payment suggestions are for the credit card companies' benefit, not yours. The longer you take to pay and the higher your rate of interest, the more money the credit card company makes... and you may never pay it off!

However, there's a free, powerful new tool online called Powerpay (<http://powerpay.org>) that shows you how to knock your credit card balances down to zero by "teaming" up your payments.

Designed by Utah State University, the Powerpay website will give you workable methods to trim your credit costs. What seem to be small actions in dealing with credit debt can have far-reaching effects.

Powerpay begins by showing you how long it will take to pay off your current debts at your current payment schedule, and then shows you the impact of "power paying," paying off one card and then adding that amount to the payments you make on another credit card.

1. This document is FAR9021, one of a series of the Department of Family, Youth and Community Sciences, Florida Cooperative Extension Service, Institute of Food and Agricultural Sciences, University of Florida. First published January 2008. In the interest of time or clarity, the broadcast version of this script may have been modified. Please visit the EDIS Web site at <http://edis.ifas.ufl.edu>.
2. Patricia Bartlett, staff writer, and Josephine Turner, professor emeritus, Department of Family, Youth and Community Sciences, Cooperative Extension Service, Institute of Food and Agricultural Sciences, University of Florida, Gainesville, FL 32611. Reviewed by Suzanna Smith, associate professor, Department of Family, Youth and Community Sciences, University of Florida, and Executive Producer, Family Album Radio.

The site will show you how much you'll save if you pay off creditors with the highest interest rates first, or if you pay off creditors with the lowest balance first, or if you pay off creditors with the shortest term first. The total amount you pay each month won't be increased, but the pay-off could save you big bucks.

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To listen to the radio broadcast:

[http://www.radiosource.net/radio\\_stories/powerpay.mp3](http://www.radiosource.net/radio_stories/powerpay.mp3)

[http://www.radiosource.net/radio\\_stories/powerpay.wav](http://www.radiosource.net/radio_stories/powerpay.wav)