## 2023 · SHOULD I PAY OFF MY DEBT(S)?

Start Here



Will you have enough What is the primary money in your emergency motivation or rationale fund after paying off the behind your desire to pay off your debt(s)? Improving Cash Flow Saving on Interest Expenses debt(s) in question? Personal/Other Reasons Yes No Be mindful of your tax Do you expect that you Do you need to improve Will paying off the debt(s) situation, and how with your own funds can invest at a higher vour credit score or additional ordinary income free up more cash flow return than your current debt-to-income ratio for and capital gains may affect than refinancing or interest rate, and can you planning purposes? Consider holding off and your financial plan. consolidating it would? tolerate the risk? keeping your emergency fund intact unless you have a unique situation (e.g., extremely high-interest No Yes debt, can replenish funds No Yes No Yes No Yes quickly via cash flow, etc.). Is your debt causing you Are vou able to refinance or Is the guaranteed interest-Will you have enough When sourcing your funds, money for other important, consolidate your debt(s) for saved more important to significant emotional will you have any tax previously earmarked, a lower monthly payment consequences that need to you than the potential distress? short-term goals (e.g., 1–3 or lower interest rate? upside of investment be considered? year time-horizon)? opportunities? No Yes Consider paying off the Yes No debt(s) using available Yes No funds if it makes sense for Yes No your long-term goals. Consider other reasons for Consider other reasons for paying off your debt, or paying off your debt, or refrain from doing so refrain from doing so altogether. altogether. Consider refinancing or Consider paying off, Unless paying off the debt(s) is of greater consolidating your debt(s), refinancing, or but be mindful of any consolidating your debt. importance, consider associated costs or other holding off and keeping your short-term funding benefits potentially forfeited. goals intact.

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