

How I Paid Off \$20,000 in Debt in 6 Months

It seems as if it's almost impossible for Millennials and GenZ to get ahead financially these days. Record inflation, insane gas prices, and a tough housing market are just a few of my generation's hurdles on top of the student loan and [mental health crises](#).

As a fully remote worker even before the pandemic, I knew that I could break the "broke millennial" stereotype by getting serious about my finances in early 2020. (Travel wasn't an option so it wasn't like I could spend my discretionary income on plane tickets, anyway!)

During the COVID lockdowns, I read every article, blog, and book I could about financial freedom and knew I had to make some "drastic-to-me" changes if I wanted to set up my future self for success.

I got so serious about my finances that I paid off \$20,000 in debt in just six months. Here's how:

Make a Budget and Stick to It

You must know where your money goes each month, full stop. There are tons of free tools on the internet to help you create a household budget, but I prefer a Google Sheet. In my budget, I have two columns: monthly expenses and the amount. Then, I have rows for expenses ranging from the greatest to the smallest. My mortgage is first, then groceries, utilities, and so on. Some financial gurus swear [by a Zero-Based Budget](#), which is sort of what my husband and I follow. We have set categories for eating out, streaming services, and entertainment, but we also have a set minimum that must go towards debt each month. Our budget doesn't quite hit zero

each month, but what is left we roll into sinking funds such as house projects, travel, and Christmas presents.

Cut Unnecessary Spending

Remember that budget I mentioned? All expenses need to be discussed before cutting. For us, it was multiple streaming services and digital subscriptions. I realized it was cheaper to share logins with family members and that I was accidentally paying for two of the same accounts with different email accounts. Free services that scan your bank account or credit cards can find mistakes like this and give you a better idea of what subscriptions you're actually paying for.

Sell Your Extra Stuff

The pandemic was great for cleaning out my closet and home office. Use apps like Poshmark, Mercari, or Facebook Marketplace to list your gently used clothing, electronics, or collector's items and watch the cash roll in. Be aware that [new tax rules](#) are going to make it harder to start and maintain a reselling side hustle. I was able to make an extra \$500 in the course of a few weekends by listing items I no longer used or wanted. Pro tip: be as detailed as possible in your listings and include the dimensions and condition of your item(s). Take high-quality photos on your smartphone by remembering [the rule of thirds](#).

Make More Money

In the age of the [Great Resignation](#), it should go without saying that making more money is key if you want to greatly pay down your debt. For a year and a half, I was technically working two and a half jobs. I was a director of marketing for an organization on the West Coast while I was juggling 15

freelance contracts on the East Coast. I would start my day at 8 a.m.; I usually ended around midnight. Rarely would I give myself a weekend off. COVID was still rampant, which didn't allow for much social time anyway, but I greatly prioritized making money over my social life. Whether it's freelancing, negotiating a raise, or changing jobs, bringing in extra income was instrumental to paying down debt in such a short timeframe.

Be Happy With What You Have

There's a reason [why minimalism is hot right now](#)—it's because material things won't add very much to your happiness. With an influx of cash, I was tempted more than once to treat myself at the mall, but I had to really change my mindset and remember that the short-term satisfaction wasn't worth straying from my financial goals. I started frequent garage sales and thrift shops instead of splurging at department stores if I felt the urge to just “shop” or if I was in the market for new-to-me seasonal decor. The thrill of the hunt turned into a passion and I'm proud to say that the majority of my home décor is second-hand. (Great for the environment and my wallet!)

Final Thoughts

I completely paid off my car and some student loans while saving for a down payment for my house. Now, am I 100 percent debt-free?

Not quite, but I'm getting oh-so-close and taught myself more about personal finance than I ever learned in school. Despite the current state of the US economy, young people *can* turn their financial situation around—it just takes planning and dedication.

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