Hello, my name is Andrew Bingham and I am the new Personal and Family Financial Management Educator in the Family and Consumer Sciences (FCS) department. My office is located at the UI Ada County Extension in Boise, but I have multi-county responsibilities as well.

I was born and raised in a farm community of western Idaho. As is the case with many people from small towns, athletics were a favorite pastime of mine. Although I still enjoy being physically active, nowadays it happens less on the court and more in our home as I attempt to keep up with my 3-year-old son and 1-year-old daughter.

In addition to family and sports, finance is a passion in my life. The area of finance has always fascinated me because it’s a universal subject. It impacts every individual and every organization. My fascination with finance is what led me to BYU-Idaho where I received a bachelor’s degree in Financial Economics and, shortly after that, a master’s degree in Finance at the University of Utah.

I’ve learned a lot from my formal education and am eager to learn more about finance while developing programs geared toward the needs of our surrounding communities. I am grateful and excited to be a part of the University of Idaho Extension team, to be learning and teaching such a great subject, and for the chance to do it all in this great state that I’m proud to call home.

If you have financial education needs in your area, potential partnership opportunities, or ideas for the development or expansion of finance-related programs, please do not hesitate to contact me. You can reach me by email at abingham@uidaho.edu, or in the office at 208-287-5900.

I look forward to working with you.

Andrew Bingham
Ada County Extension Educator
Snowball or Avalanche?

With a growing population and a revitalized economy, household debt is climbing steadily every month. Most recently, the average household in the United States totaled $149,439 in debt.

Since debt is a growing reality of life, it is more important than ever to know strategies for paying off debt, both for your own benefit as well as that of others who could learn from your knowledge.

Following are two popular approaches used to pay off debt faster. The values in the example were pulled from the average household debt *(see table)* and interest rates in today’s market.

### THE SNOWBALL METHOD

1. **Pay the minimum payments on all accounts and avoid incurring any new debt.**

   Doing this simplifies the debt reduction process while simultaneously building or maintaining a good credit score.

### Debt Per Household

<table>
<thead>
<tr>
<th>Debt</th>
<th>Credit Card</th>
<th>Non-Revolving</th>
<th>Mortgage</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Card</td>
<td>$8,148</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Revolving</td>
<td></td>
<td>$22,538</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage</td>
<td></td>
<td></td>
<td>$118,752</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>$149,439</td>
</tr>
</tbody>
</table>

2. **Focus on the account with the smallest balance.**

   Collect extra funds anyway you can and put them towards paying off the debt with the lowest balance every month.

3. **Roll funds into the next smallest account.**

   Once the first account is paid off take all the funds used to pay it off and roll them into the account with the next smallest balance.

4. **Repeat.**

   When the second smallest balance is paid off, roll all those funds into the next smallest account. Repeat this process until all the debt has been paid off.

### Debt Per Account

<table>
<thead>
<tr>
<th>Debt</th>
<th>Credit Card</th>
<th>Car Loan</th>
<th>Student Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>$8,200</td>
<td>$5,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Int. Rate</td>
<td>21%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Minimum</td>
<td>$35</td>
<td>$260</td>
<td>$140</td>
</tr>
</tbody>
</table>

*An Extra $150 was collected in this example.*

*The entire previous payment, including the minimum payment, is rolled to the next account.*

<table>
<thead>
<tr>
<th>Debt</th>
<th>Credit Card</th>
<th>Car Loan</th>
<th>Student Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>$0</td>
<td>$0</td>
<td>$15,000</td>
</tr>
<tr>
<td>Int. Rate</td>
<td>21%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Minimum</td>
<td>$0</td>
<td>$0</td>
<td>$435</td>
</tr>
</tbody>
</table>

*The entire previous payment, including the minimum payment, is rolled to the next account.*
THE AVALANCHE METHOD

1. Pay the minimum payments on all accounts and avoid incurring any new debt.
As with the Snowball Method, make minimum payments and avoid new debt. Pay for everything in cash if necessary.

<table>
<thead>
<tr>
<th>Debt</th>
<th>Credit Card</th>
<th>Car Loan</th>
<th>Student Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>$8,200</td>
<td>$5,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Int. Rate</td>
<td>21%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Minimum</td>
<td>$35</td>
<td>$110</td>
<td>$140</td>
</tr>
</tbody>
</table>

2. Focus on the account with the highest rate.
Gather as much extra money as possible and put it towards paying off the debt with the highest interest rate every month.

<table>
<thead>
<tr>
<th>Debt</th>
<th>Credit Card</th>
<th>Car Loan</th>
<th>Student Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>$8,200</td>
<td>$5,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Int. Rate</td>
<td>21%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Minimum</td>
<td>$185</td>
<td>$110</td>
<td>$140</td>
</tr>
</tbody>
</table>

*An extra $150 has been collected here, too.

3. Roll funds into the account with the next highest interest rate.
When the first account is paid off take all the funds used to pay it off and roll them into the account with the next highest interest rate.

<table>
<thead>
<tr>
<th>Debt</th>
<th>Credit Card</th>
<th>Car Loan</th>
<th>Student Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>$0</td>
<td>$5,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Int. Rate</td>
<td>21%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Minimum</td>
<td>$0</td>
<td>$110</td>
<td>$325</td>
</tr>
</tbody>
</table>

4. Repeat.
When the second account is paid off roll all those funds into the next highest interest account. Repeat this process until all the debt has been paid off.

<table>
<thead>
<tr>
<th>Debt</th>
<th>Credit Card</th>
<th>Car Loan</th>
<th>Student Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Int. Rate</td>
<td>21%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Minimum</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

*In this scenario, the car loan has been paid off by the time the student loans are paid off.

WHICH METHOD IS BETTER?

In the purely logical and mathematical sense, the Avalanche Method is better. By paying off the higher interest first you pay less in the long run. Comparing the results from our examples, the Avalanche Method would pay off the debt 11 months sooner than the Snowball Method, resulting in approximately $2,000 dollars less over the span of 8 years. That is a savings of $20 per month.

However, from a psychological perspective the Snowball Method is better. A recent study at Harvard found that paying off accounts had a greater impact on the debtor’s perceived progress and therefore was more motivating. While the Avalanche Method pays off the debt sooner, the Snowball Method pays off accounts earlier and more intermittently, providing a boost to morale and increasing the likelihood that the debtor sticks to his/her debt reduction goals.

If the Snowball Method keeps you mentally invested, then it may be worth $20 a month. If you’re strong-willed and logical, then the Avalanche method is probably best. Or perhaps a compromise approach where you combine the methods is the way to go, paying off the high interest rates on credit cards and then paying off the lowest balance. In the end, what matters most is sticking to the plan whatever it may be.

Source: https://hbr.org/2016/12/research-the-best-strategy-for-paying-off-credit-card-debt
Three Easy Ways to Dress Up Your Vegetables

Recipes developed by Kate Sherwood, The Healthy Cook.

Make vegetables the star of the plate! Toss with a zesty vinaigrette, dress with a quick pesto, or roast with aromatic spices. Here’s a mouth-watering example of each.

BROCCOLI WITH SESAME DRESSING  (Time: 10 minutes)

- 2 broccoli crowns, cut into florets
- 1 Tbs. reduced-sodium soy sauce
- 1 small clove garlic, minced
- 2 tsp. toasted sesame oil
- 1 tsp. grated ginger
- 2 tsp. rice vinegar
- 2 tsp. honey

Steam the broccoli until tender-crisp, 2-3 minutes. Drain well. Make the vinaigrette. Whisk together the remaining ingredients. Toss the vinaigrette with the broccoli.

Nutrition Information: Serves 4. Per serving (3/4 cup): Calories: 70; Total fat: 2.5g; Sat fat: 0g; Carbs: 9g; Fiber: 2g; Total sugar: 4g; Added sugar: 3g; Protein: 3g; Sodium: 170mg.

GREEN BEANS WITH PARSLEY-ALMOND PESTO  (Time: 15 minutes)

- 1 lb. green beans, trimmed
- ¼ cup smoked almonds
- 1 small clove garlic, minced
- ¼ cup flat-leaf parsley leaves
- 2 Tbs. extra-virgin olive oil
- 2 tsp. lemon juice
- ¼ tsp. kosher salt

Steam the green beans until tender, 8-10 minutes. Make the pesto: Combine the remaining ingredients in a food processor. Pulse until uniformly minced. Toss the green beans with the pesto.

Nutrition Information: Serves 4. Per serving (1 cup): Calories: 140; Total fat: 11g; Sat fat: 1g; Carbs: 9g; Fiber: 3g; Total sugar: 4g; Added sugar: 0g; Protein: 4g; Sodium: 160mg.

SPICED ROASTED CAULIFLOWER  (Time: 30 minutes)

- 2 Tbs. extra-virgin olive oil
- 1 Tbs. tomato paste
- ½ tsp. paprika
- ¼ tsp ground coriander
- ⅛ tsp. ground cumin
- Pinch of cayenne pepper
- ¼ tsp. kosher salt
- 1 head cauliflower, chopped

Preheat the oven to 450°F. In a large bowl, combine the oil, tomato paste, spices, and salt. Toss the cauliflower in the oil mixture. Roast on a lined, rimmed baking sheet until tender, 20-25 minutes.

Nutrition Information: Serves 4. Per serving (3/4 cup): Calories: 100; Total fat: 7g; Sat fat: 1g; Carbs: 7g; Fiber: 3g; Total sugar: 3g; Added sugar: 0g; Protein: 3g; Sodium: 160mg.

Source: https://www.nutritionaction.com/daily/healthy-recipes/three-easy-ways-dress-vegetables/

Because You Asked:

Q. I have seen companies that claim to help consumers consolidate and reduce their debt. Can I trust these claims?

A. Most of these companies do have legitimate claims, but it is always in your best interest to be wary about the services they offer. Remember that many of these companies are motivated first by their bottom line, and second by your bottom line. That’s not to say they don’t offer a plan that can be beneficial to both parties; rather, it means that you should research your options and pick the company and plan that is best for you.

Here are a few tips to remember when doing your own research:

1. **Nonprofit companies are generally a safe route.** Nonprofit companies are not motivated by their bottom line. They will still charge fees, but these fees are necessary to pay their employees as well as their overhead. The Consumer Financial Protection Bureau recommends consulting a nonprofit credit counselor when considering consolidating debt.

2. **Avoid debt settlement companies whenever possible.** While debt settlement can result in paying less debt than you owe, it will reflect poorly on your credit score. Furthermore, the strategies implemented by debt settlement companies have the potential to cost more than the original debt owed.

3. **Perform a cost-benefit analysis.** Every consolidation plan has a cost. It’s a transfer fee if you move your debt to a credit card with a lower rate, and a consolidation fee if you use a debt consolidation loan. Whatever the cost may be, ensure that it is less than the money saved over the life of the plan.

If you do your research, it is possible to find a plan that will both work for you and be one that you can trust.

Source: https://www.consumerfinance.gov/ask-cfpb/