

# 7 real people who are winning the fight with debt

## BUSINESS

INSIDER By Mandi Woodruff and Anmargaret Warner | Business Insider – Thu, 4 Jul, 2013  
11:04 AM EDT

<http://ca.finance.yahoo.com/news/7-real-people-who-are-winning-their-fight-with-debt-144345820.html>

As human beings, there are some traits that we all have in common — two hands, one heart, red blood, and, unfortunately for most of us, a wealth of debt.

The average American carries a [\\$47,000 debt load](#), and as a nation, nearly \$2 trillion of our collective debt is either delinquent or 90 days past due.

Part of the problem in figuring out where to begin getting out of the red is knowing who to turn to for help. Maybe you're too embarrassed to fess up to your issues or you can't afford a financial advisor. So you might pick up a \$20 self-help book or enroll in a \$200 debt makeover course online.

Save your money. Some of the greatest advice out there can come from the person standing next to you in line at the grocery store. To prove our point, we've rounded up 7 truly inspiring stories of real consumers who faced their debt head-on and managed to come out on the other side.

### 1. Carrie Smith, 28, found herself \$14,000 in debt at age 25. She dug her heels in and paid it off in a year.



**Carrie Smith** Who she is: [Smith](#) is an ex-small business accountant who dedicates her time to helping entrepreneurs manage and make more money.

**Her debt wake-up call:** "Three years ago ... I started thinking about what my life would be like as I got old and grey. I just finalized a [painful divorce](#) and found myself with a mountain [\$14,000] of debt. Not exactly what I pictured for myself at 25 years old," she says.

**How she paid it off:** She started by tackling her credit card debt, as it carried the highest interest rates. For motivation, she made a timeline of her progress and used the free debt payment tool [www.readyforzero.com](http://www.readyforzero.com) to come up with a payment plan she could handle. Then, there were sacrifices: Giving up cable, a gym membership, tanning/salon visits, vacations, dining out, and going to the movies. To up her income, she freelanced as a writer.

**2. With a Master's degree under her belt, Kari Gordon went into denial about her \$30,300 loan balance. It took four years but she finally paid it off.**



**Kari Gordon**Who she is: [Kari](#), 30, lives in the greater New York City area and works at a non-profit.

**Her debt wake-up call:** "When I finished graduate school, I was in student debt denial. When the first bill arrived, I stuck it in my bill basket and pretended it wasn't there for a week ... For several months after I got that first bill, I paid the \$350 minimum payment. With each electronic debit from my checking account I hated myself and hated my

decision to take out student loans. Being in debt made me miserable!"

**How she paid it off:** Gordon will be the first to tell you there is [no secret to paying down debt](#). She broke her debt down into more manageable amounts and made a strict budget. With time, she was promoted at work and took up extra work babysitting, filling out online surveys and freelance writing. She also got a roommate, started cooking meals at home and got rid of her car.

**3. Grayson Bell, 29, financed \$50,000 for his small business with three credit cards and hit rock bottom during the recession. He paid it all off within 4 years.**

**Grayson Bell**Who he is: [Grayson](#), 29, lives with his wife in Raleigh, N.C.



**His debt wake-up call:** "After the economy took a plunge in 2008, I decided to get out of my business. It was taking a toll on my personal life and my health... Though I was done with my business, I was not done with the damage that it left behind. Four years of personal and business related expenses went onto my credit cards. My ending balance was hovering around \$50,000. Seeing this balance made me sick to my stomach. I never knew I could accrue so much debt and have so little to show for it."

**How he paid it off:** Together, Bell and his wife canceled cable and got their Internet with an over-the-air antenna. He worked freelance jobs and kept track of his progress on a white board. Rather than rely on pricey central air conditioning, he bought a window A/C unit, which cut their bill by 40%. To help with his credit card debt, he capitalized on balance transfer offers between credit cards.

**4. Cait Flanders, 27, was maxed out with \$28,000 worth of debt at age 25. It took her less than two years to pay it off.**

Cait Flanders **Who she is:** [Cait](#), 27, of Vancouver, British Columbia is the managing editor of a startup.



**Her debt wake-up call:** "When I was 25, I found myself totally maxed out. I had \$100 in my bank account and maybe another \$100 of wiggle room on my credit card and all of it had to last me 6 weeks. The feeling of being maxed out sparked something in me. I knew I couldn't hide from it anymore and that I had to make major changes."

**How she paid it off:** No 20-something wants to move back in with their parents, but Flanders bit the bullet and spent six months living rent-free

with Mom and Dad. "There were no more dinners out, drinks with friends, weekend getaways, shopping trips, etc. I basically sat at home and occasionally went for a \$5 coffee date with a friend," she says. "And I can't lie - it sucked! But I paid off \$10,000 in those 6 months, so it was worth it to me."

From then, she moved back out and stuck to a hardcore budget, tracking her spending for three months. Luckily, she was also able to commit two sizeable income tax returns to her debt. She's been debt-free since May 21, 2013.

**5. Harvard Business School grad Joe Mihalic graduated with \$101,000 worth of student loan debt and decided to pay it off in under a year.**

Joe Mihalic **Who he is:** [Joe](#), 30, of Austin Texas works as a pricing analyst for a tech firm.

**His debt wake-up call:** "I graduated from Harvard Business School with my MBA and \$95,000



worth of student loans (\$101,00 including accumulated interest) in 2009 at the age of 26. Since graduation, I've made 21 monthly loan payments at \$1,057 each. After paying \$22k towards my \$101k of loans, the balance stood at \$90,717. It [was] absurd."

**How he did it:** Joe took a two-pronged approach, decreasing his spending and increasing his revenue. He got a weekend gig as a pedicab driver, started a landscaping business with his friend, bought a flask to skimp on booze spending, got a

roommate for his Austin home, temporarily stopped his 401(k) contributions, and did the usual lunch-eating, restaurant-skipping money-saving tricks. It worked. In under a year, he shaved off his entire debt-load.

**6. Jordann Brown, 23, faced \$53,000 in student loan and auto debt after graduating college. A year later, she only has \$7,000 left to pay off.**

Jordann Brown **Who she is:** [Jordann](#), 23, is a marketing professional living in Atlantic, Canada.



**Her debt wake-up call:** "I grew up with the misconceived idea that I would go to university, get a killer job right out of school, and spend the rest of my life traveling, buying whatever I want, and generally living 'the dream.' Unfortunately, due to something called reality, that lifestyle is not an option. Even though I've made the 'right' decisions, I've still ended up in a pile of debt, which has put my ideal lifestyle out of reach."

**How she paid it off:** Brown lucked out when she found out the Canadian government offered debt relief for students who graduated on time. That erased \$16,000 of her debt right off the bat. A cushy tax refund helped chip another \$5,000 off the balance. The rest was a lot of hard work. She took a side gig as a freelance writer and made some money off her own blog, while also extremely cutting her expenses. She still managed to contribute to her emergency savings and plan her wedding in the meantime. Not too shabby.

**7. Bridget Casey, 27, is on her way to turning \$20,500 worth of student loans into smoke in less than two years.**

Bridget Casey **Who she is:** [Bridget](#), 27, is a young professional from Edmonton, Alberta, Canada.

**Her debt wake-up call:** There was no 'ah-ha' moment for Casey. She just wanted to attack her student loans as soon as possible after graduation.



**How she did it:** "Despite my small income, I threw \$50 or \$100 at the balance whenever I could. I was lucky and found a great full-time job within a few months, and a regular salary let me attack my debt more aggressively. I made the decision to go without a car and live in a small apartment so I could free up more money for debt repayment. While I did have some lifestyle inflation post-graduation, overall my everyday spending has been fairly modest ... Whenever I received a cash windfall, like my income tax refund, I always used the bulk of it towards debt."

**On life after debt:** "When I think of paying off over \$20,000 in two years it seems daunting, but honestly, I just got used to making huge payments every month. It was challenging to balance saving with my debt repayment, as I'm absolutely terrified of not saving enough in my twenties for retirement, but you learn to make sacrifices elsewhere and prioritize where you want to spend your money. With my debt-free date in sight, I'm looking forward to switching gears to building wealth—and maybe finally getting a car!"