



Paying Down Debt **IS** Saving

If you're planning to save by paying down debt, you're in good company: getting out of debt is the third most common savings goal people select. That makes sense because debts can keep you from building wealth.

The good news is that with planning and support almost anyone can reduce their debts and start to accumulate wealth through saving. But one quick thing you'll need to understand, that many people often don't consider is this: **paying down your debt IS saving.**

In fact, that idea is a driving belief at America Saves, because **when you reduce your debt you:**

1. Save money on interest and fees.
2. Build and/or maintain your credit score.
3. Build your net worth by eliminating your debt.

Debt can become a cycle. Think about it.

Can you only afford to make minimum payments on your credit cards?

Do you borrow money to pay off old debts?

Have you used a home equity loan to refinance credit card debts and then add new revolving balances on your cards?

By successfully paying down (and eventually paying off) these debts, you have more cash flow available, making the use of credit less of a necessity.

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