

How I Could Have Paid My \$28,000 of Student Loans Off Faster

By Zina Kumok

Recently I finished paying off \$28,000 worth of student loans (over the course of three years) while making about \$30,000 a year. Paying of my loans so quickly required a lot of sacrifices, but not as many as you'd expect. I didn't live with strangers, I didn't get a second job, and for the most part, I saw my friends as often as I wanted.

Even though I accomplished my goal, there were ways I could have paid the debt off faster. Why does that matter? Because every month that I paid my loans, I also paid 6.55% interest (or sometimes higher). Here are some easy ways I've realized in retrospect could have helped me pay off my loans sooner:

1. Not turning down an offer for a roommate

When I first moved to Indianapolis, I had an offer to live with a friend's cousin. She was also looking for an apartment downtown and we had similar budgets. I had already been living alone for a year and knew how much money I could save if I could split rent, utilities, internet and even

some groceries. But in the end, I decided that rooming with a stranger wasn't worth saving money. I still regret that decision – the apartment I chose was more than I wanted to spend and I had lots of maintenance issues. **Savings lost: \$4,000**

2. Skipping travel until after I paid off my debt

I went to Israel in 2013 while I was still paying off my debt. I had saved the money for the trip from one of the “extra” paychecks that you get if you're paid every two weeks. I justified spending the money on that trip because it was a Birthright trip, which meant that it was heavily subsidized and much less expensive than a normal trip to Israel. Birthright allows Jewish young adults to travel to Israel and only pay for meals and a flight to New York City. The program is only offered to people under 26 years of age and I had already been waitlisted twice when I finally got accepted to go. The trip ended up costing \$1,000 total since I decided to spend a few extra days in New York City. I also took a 10-day trip to Spain this past May, which cost another \$2,000. Putting off travel would have shaved off three months off my debt-repayment. I should clarify that's one decision I don't regret, since traveling is worth doing while you're young and able, but I do realize it postponed my debt repayment. **Savings lost: \$3,000**

3. I started my first job after college with no savings

After graduation, I had an unpaid internship and worked part-time for a call center. I paid for my own rent that summer and since my part-time job kept cutting hours, I didn't save as much as I planned. So when I got my first full-time job, I had to borrow money from my parents to pay for the security deposit on my apartment. I spent the next year building up my emergency fund. If I had been careful throughout college, I could've started that job with a cushion and could've put more money toward my loans. **Savings lost: \$1,000**

4. Not getting a dog

When my fiance and I talked about getting a dog, I initially told him I wanted to wait until I had paid off all my loans. But in the end I relented and we adopted a four year-old mutt named Lyra. I got her the same month I got my annual raise so I put that extra money toward her expenses. That way I was able to still continue putting the same amount of money toward my loans without absorbing the raise. I budgeted \$50 a month for my dog and the initial start up costs were \$250. But then she got sick a few times and I soon realized what people meant when they said

pets are expensive. My dog cost me about \$1200 over the course of a year – all money I could have put toward my loans. **Savings lost: \$1,200**

As mentioned above, even though these are some things I could have done to pay off my loans faster, I don't regret all these decisions. I enjoyed the travel and I do love my dog more than words. But with every choice, you make a sacrifice. Even though I love rubbing my dog's belly and going to sleep with her curled up beside me, I know that she's a financial drain (sorry, Lyra). I don't know that I would have been happier sharing an apartment with a girl I barely knew, but I do know that decision cost me a substantial sum.

If you're trying to pay off debt or start saving, it can be hard to know what financial sacrifices are worth it. I keep two rules: spend more on experiences versus stuff and try to balance what will make you happy with paying off your debt as quickly as possible.