

DEBT MANAGEMENT SERVICES



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At Jumet Financial, we help you understand the difference between "good" and "bad" debt — and show you how to use both in the smartest way possible.

GOOD DEBT

This is debt that is backed by something valuable, like a home or your education. Because it is secured, it usually comes with lower interest rates. Think of things like mortgages or student loans. When used the right way, good debt can actually help grow your wealth. For instance, it might make more sense to invest in a Roth IRA that earns 8-10% annually rather than paying off a 2.5% mortgage early.

BAD DEBT

Bad debt is typically unsecured and carries high interest rates. Common examples include credit card balances or high-interest auto loans. These types of debt do not add long-term value and can slow down your financial progress. That is why it is important to pay them off as quickly as possible.

DEBT VS. INVESTING: A CASE STUDY *

What is smarter?: Paying off a 5% mortgage early, or investing in a Roth IRA earning 10%? If you invest \$100 per month in your Roth instead paying it towards your mortgage, here is how the numbers could look after 5, 10, and 15 years.

- After 5 years, investments grow to roughly \$7,744 versus \$6,801 saved on the mortgage.
- After 10 years, investments grow to approximately \$20,485 versus \$15,528 saved on the mortgage.
- After 15 years, investments grow to nearly \$41,447 while mortgage savings total about \$26,729.

This means you miss out on roughly \$14,718 in potential gains over 15 years!

LET'S BUILD YOUR FUTURE TOGETHER

Debt does not have to be a burden. In fact, it can be a tool to help you reach your financial goals. At Jumet Financial, we are here to help you use debt strategically, plan smartly, and build your financial future with confidence.

www.jumetfinancial.com

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