

# Goal Setting

When you think about what you would like to do with your money, what do you see? Do you see yourself free of financial worries? Do you have specific items that you want to buy?

Good money management begins with goal setting. Goals give you direction and a purpose for the way you spend your money. By setting specific goals, you will be motivated to balance your spending and savings to reach your desired objectives. Should you have a spouse, it is imperative to include them in this goal setting process. Take a few moments to brainstorm:

*Where do I want to be a year from now, five years from now, ten years from now...?*



Write down whatever comes to mind; there are no right or wrong answers! Experts say that you are much more likely to succeed in accomplishing a goal when you externalize it. By taking that idea from inside your head and writing it down, or telling someone about it, you're on the way to making that goal a reality.

When you form a list of personal goals, you should start to further define them by categorizing them as short-term (less than one year) or long-term (more than one year).

**An example of a short-term goal:** I want a new television that costs \$300.00. I can afford to put \$50.00 aside each month to save towards that goal. It will take me six months to accomplish this goal.

**An example of a long-term goal:** I want to retire in 20 years and I'll need in the vicinity of \$250,000.00. I'd have to save approximately \$400.00 a month based at an annual return of 8.0% in order to accomplish this goal.



Short-Term Goals < 1 year	Estimated Cost	Cost Per Month

Long-Term Goals	Estimated Cost	Cost Per Month



Many people have more goals than they can feasibly afford. You'll need to prioritize your own goals accordingly. Refer to the 'Needs & Wants' page for more information on prioritizing. Bare in mind, goals should be tentative as well; you might have to put off the trip to Cancun if your roof is leaking. It's important to realize that goals must be flexible; as your needs and interests change over time, so will your goals.