

Financial Goal Setting



Commitment to Change

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The first and most important step in developing and following a financial goal plan is to examine your attitudes about money.

Are you ready to accept responsibility for changing your financial situation?

Do you believe that you can and will change the way you make financial decisions?

Can you identify at least one benefit you hope to gain by changing your money management behavior?

- 1) Start by identifying what it is you truly want in life.
- 2) Identify your core values.
- 3) Identify what motivates you.
- 4) Identify your focus.
- 5) Identify your financial goals.

What Do I Want?

When you search your heart, what do you want in life? Let your mind go. As you formulate answers, make a list of everything that comes to mind. Here are a few possibilities to get you started. Check all that apply.

- Buy a new car or house
- Get out of debt
- Pursue a college degree or profession
- Get married
- Start a family
- Enable my spouse to be home with the children
- Travel the world
- Gain more control of my life
- Build affirming relationships with friends and coworkers
- Be my own boss
- Own a profitable business
- Achieve financial independence
- Live free from personal, financial, and vocational worry
- Enjoy work that uses my greatest strengths
- Take quarterly vacations with my family
- Find peace and purpose in my everyday life
- Make a difference in others' lives
- Make a million and give away 50% of it
- Change the world, one person at a time

➤ _____

➤ _____

➤ _____

➤ _____

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➤ _____

Core Values Assessment

1. Who is the person I respect most in life? What are their core values?

2. Who is my best friend, and what are his/her top three qualities?

3. If I could have more of any one quality instantly, what would it be?

4. What are three things I hate? (e.g., cruelty to animals, credit card companies, rudeness, deforestation, etc.)

5. Which three people in the world do I dislike the most and why?

6. Which personality trait, attribute or quality do people compliment me on the most?

7. What are the three most important values I want to pass on to my children?

8. If I were to teach a graduating high school class values that would give them the best opportunity for success in life, what would those be and why?

9. If I had enough money to retire tomorrow, what values would I continue to hold?

10. What values do I see being valid 100 years from now?

11. What are the top dozen qualities of the “ideal” man or woman?

Identify What Motivates You

Motivation is the force that draws you to move towards something. It can come from a desire or a curiosity within you or can be from an external force urging you on. Motivation styles vary for different situations and topics but nonetheless, you can draw on them especially when you try to learn something new or challenging. If you can recognize your predominant motivational style, you can identify situations that best satisfy your needs.

| | | | |
|--|---|--|---|
| 1. I am proud when I ... | Get things done. | Help other people. | Solve problems by thinking things through. |
| 2. I mostly think about ... | What's next. | People. | Different ideas. |
| 3. To relax, I tend to ... | Rely on a consistently relaxing activity. | Talk with friends. | Learn something new. |
| 4. I like to do things ... | Right away or on a schedule. | When everyone else can do it with me. | When it feels right to me. |
| 5. When online, I like to ... | Search for specific information. | Write emails, text message, or chat. | Follow links in many directions. |
| 6. Projects should be ... | Finished on time. | Done in groups. | Meaningful to my life. |
| 7. In school, I liked to ... | Ask questions. | Make friends. | Explore many topics. |
| 8. I believe schedules ... | Keep me organized. | Help me coordinate plans with other people. | Are useful tools to keep me on track. |
| 9. I like to be recognized for ... | Being organized, neat, and on time. | Being kind, thoughtful, and considerate to others. | Being clever, curious, and a good problem solver. |
| 10. In terms of completing things ... | I finish what I start. | I like to enlist the help of other people. | I want to be learning from start to finish. |
| Totals: | Goal: _____ | Social: _____ | Learning: _____ |

Take a few minutes to complete the following questionnaire. These questions have no wrong or right answers. Your responses offer insight about how you're motivated to learn. Begin by reading the words in the left column. Of the three responses to the right, circle the one that best characterizes you, answering as honestly as possible with the description that applies to you now. Count the number of circles items and write your total at the bottom of each column.

The column with the highest total represents your primary motivation style. The column with the second-highest total is your secondary motivation style.

Your primary motivation style: _____

Your secondary motivation style: _____

If you are goal-oriented, you probably reach for your goals through a direct and obvious route. This might lead you to a reference book, your computer, or to call an expert—whatever means is available. You usually prefer meeting in-person when it's the most effective method and don't find learning, itself, much fun.

If you are relationship-oriented, you take part in learning mainly for social contact. When you meet and interact with people, you learn things along the way. You may not like working independently or focusing on topics (separately from the people) because that doesn't give you the interactivity you crave.

If you are learning-oriented, the practice of learning, itself, drives you. You search for knowledge because learning delights you and you may become frustrated by anything that requires you to spend more time following procedures than on actual learning.

There is also a fourth motivation style I haven't yet addressed, primarily because it's far less common than the other three styles and because you might not think of it as a motivation style at all. That style is thrill-oriented, drawn not to any particular thing but, rather, away from anything that people perceive as tying them down, bounding them, or pulling them in any predictable direction. This isn't to say that thrill-oriented learners can't acquire goals, relationships, or curiosity, but if any of these feel too time-consuming, invasive, or binding, the learner becomes restless and perhaps experiences a compulsion to go in another direction—any other direction—to feel free. If you're thrill-oriented, you're likely to be impulsive and you want to remain impulsive; you seek thrills and flee anything that doesn't offer you that sensation. All of us at one time or another feel impulsive or have an urge to do something else, but we usually moderate these urges when they come, instead of always following where they lead.

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"By recording your dreams and goals on paper, you set in motion the process of becoming the person you most want to be. Put your future in good hands — your own."—Mark Victor Hansen

Where is Your Focus?

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1) Where is Your Focus? Circle or highlight the boxes that describe you at this time:

| Focus | Past Fears | Present Survival | Future Vision |
|---|-----------------------------------|----------------------------------|-------------------------------|
| Frequently Feel | pushed by the past | stagnant | pulled by a life dream |
| Source of Energy | phobic fear coming from childhood | current project | ideas, priorities, dreams |
| Motivation Model | whipped | on a treadmill | chasing a carrot |
| Feel in Control | no | no/yes | yes |
| Effect on the Human System | negative/unhealthy | neutral | positive, healthy |
| Projects | lots of activity, little focus | moderate activity, little focus | lots of activity, clear focus |
| Feeling of Significance or Contribution | low | low | high |
| Energy Level | high | sometimes high, sometimes low | high |

2. Where has my thinking and motivation been focused?

- The Past
- The Present
- The Future

3. If I am not as present/future focused as I want to be, what changes will help to start focusing this way?

“The future depends on what you do today.”

— Mahatma Gandhi

Identify Your Financial Goals

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Before identifying your financial goals, it is important that you have worked out your motivation, focus, and core values. Knowing these three elements will help you have better self-realization, leading to the identification of better goals!

Now that you have worked out your source of motivation, focuses, and core values, reduce your list of important values to a shorter list.

Top Values

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Now prioritize your core values in order of importance, with the most important first. All are important, of course, but which are the most important? If you had to choose between two values, which would you fight for, or even die defending? Now which are your top three?

MY TOP 3 VALUES IN LIFE ARE:

- 1.
- 2.
- 3.

How are your values related to your goals?

Identify Your Financial Goals

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Now that you know your values it is time to identify your financial goals, but first, establishing goal priorities is key.

Creating a list of needs and wants can help you to establish financial priorities. Take the time to sit down and create such a list.

Check whether the item is a “need” or “want.” Then, rank the item’s priority based on importance. When you are finished, put this worksheet in a safe place, it will be very helpful when setting financial goals!



Personal financial goals will differ in the length of time needed to achieve them.

Short-term goals are priorities that can be accomplished within two years. Be sure every goal has a specific purpose, a dollar amount that it will cost, and a realistic target date.

Mid-term goals are priorities that can be accomplished within two to five years. Make sure your goals are realistic and flexible. If you set your goals too high, frustration will keep you from reaching them.

Long-term financial goals are priorities that may take more than five years to accomplish. Most long-term goals require regular savings.

Setting Your Financial Goals

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1. Narrow your objectives.

You probably won't be able to achieve every financial goal you've ever dreamed of. So identify your goals clearly and why they matter to you, and decide which are most important. By concentrating your efforts, you have a better chance of achieving what matters most.

2. Focus first on the goals that matter.

To accomplish primary goals, you will often need to put desirable but less important ones on the back burner.

3. Be prepared for conflicts.

Even worthy goals often conflict with one another. When faced with such a conflict, you should ask yourself questions like: Will one of the conflicting goals benefit more people than the other? Which goal will cause the greater harm if it is deferred?

4. Put time on your side.

The most important ally you have in reaching your goals is time. Money stashed in interest-earning savings accounts or invested in stocks and bonds grows and compounds. The more time you have, the more chance you have of success. Your age is a big factor - younger people (who have more time to build their nest egg) can invest differently than older ones. Generally, younger people can take greater risks than older people, given their longer investment horizon.

5. Choose carefully.

In drawing up your list of goals, you should look for things that will help you feel financially secure, happy or fulfilled. Some of the items that wind up on such lists include building an emergency fund, getting out of debt and paying kids' tuitions. Once you have your list together, you need to rank the items in order of importance (if you have trouble doing so, use the [CNNMoney.com Prioritizer](#) for help).

6. Include family members.

If you have a spouse or significant other, make sure that person is part of the goal-setting process. Children, too, should have some say in goals that affect them.

7. Start now.

The longer you wait to identify and begin working toward your goals, the more difficulty you'll have reaching them. And the longer you wait, the longer you postpone the advantage of compounding your money.

8. Sweat the big stuff.

Once you have prioritized your list of goals, keep your spending on course. Whenever you make a large payment for anything, ask yourself: "Is this taking me nearer to my primary goals - or leading me further away from them?" If a big expense doesn't get you closer to your goals, try to defer or reduce it. If taking a grand cruise steals money from your kids' college fund, maybe you should settle for a weekend getaway.



9. Don't sweat the small stuff.

Although this lesson encourages you to focus on big-ticket, long-range plans, most of life is lived in the here-and-now and most of what you spend will continue to be for daily expenses - including many that are simply for fun. That's OK - so long as your long-range needs are taken into consideration.

10. Be prepared for change.

Your needs and desires will change as you age, so you should probably reexamine your priorities at least every five years.

What you get by achieving your goals is not as important as what you become by achieving your goals.

- Henry David Thoreau



FINANCIAL GOALS WORKSHEET

List your short-, medium-, and long-term savings goals. Include an achievement date, total cost, and the amount you'll need to save each month or week to reach your goal.

| Goal | Achievement Date | Total Cost | Monthly Weekly Savings Needed |
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