Basics of goal setting management

A topic that will come up more and more during your time in this program is 'goal setting'. Goal setting is simply creating a specific vision of where you would like to go. Your goals can include short- and long-term items and relate to all aspects of your life.

Did you know that only about 2% of the people in our country have written goals (and an associated plan) for any part of their lives? What about you? Are you part of that 2%?

Imagine you have committed to driving 4,000 miles across the country for a wedding on Saturday. You leave the Monday before, allowing you five full days of driving. If you have planned correctly, this means that you must drive 800 miles every day in order to achieve your goal. What if you didn't plan? You may end up driving 300 miles on Monday, 400 on Tuesday, 500 on Wednesday, and then realize you only have 2 days left to drive the remaining 2,800 miles. Is it possible to still achieve the goal? Of course; but it would have been much easier if planning was done beforehand.

Setting goals that are believable and achievable is important to building success with your finances. Studies have shown that people tend to be more successful in achieving their goals when they write them down and revisit them periodically.

When you begin writing your goals down think about your three most important short term goals and your three most important long term goals. An example of a long term goal might be to become completely debt-free. A short-term goal might be something that will support the long-term, like drinking coffee at home, bringing your lunch to work, finding a carpool buddy, etc.

As you begin writing your goals down, think about these important points:

Make your goals believable. Achieving a goal will require a positive mindset. If you do not believe your goal is achievable, they is no point in setting it. This does not mean you cannot have doubts; we all do – we're human. We like to recommend you think of your goal as being 50% believable. Do you think there is a 50/50 chance you could accomplish this? If so, then it's believable.

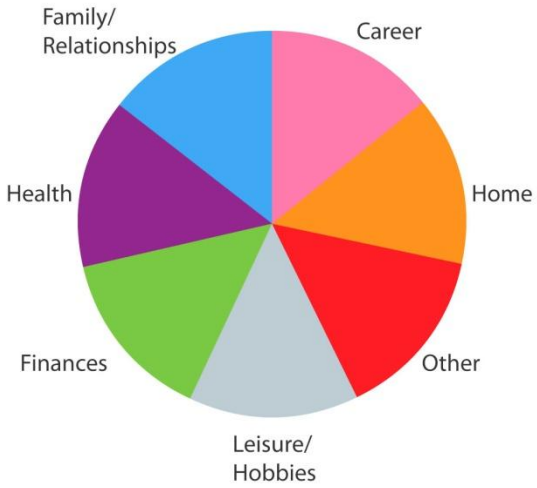
Make your goals achievable. This means that you know you have the resources to achieve your goals. One achievable goal might be to get a better, higher paying job. You know that you have the education and experience and are qualified to make a favorable shift. A less achievable goal might be to apply to be a doctor when you haven't even gone to medical school. It's important to set the bar high enough to be a challenge; but make sure it's a doable.

Make your goals as specific as possible. If your goal is to live a comfortable lifestyle when you retire, think about exactly what "comfortable" means. This will be different for everyone. For example, do you want to travel, live in a nice house on the beach, and send your grandchildren to college? How much money will be needed to live this lifestyle? When will you need it?

Now that you have more insight into goal setting and goal planning, start writing your goals down!

Tip: Allocate about 30 minutes (more is good, too) to work on goal setting. Rather than make a list of items, take some quiet time and begin to think about what's most important to you in 1 year, 5 years, 10 years, or more. Start with the worksheet and identify goals associated with each timeframe.

The next step is to evaluate your life as it is today, and where you want it to be one year from now. Determine the key areas of focus that need to be changed and how you will change them effectively. This exercise is categorized into eight different categories, as illustrated below.



Consider each of the categories: Health, Family/Relationships, Career, Home, Leisure/Hobbies, Finances, and Other. Where do you currently stand in each area today? How do you see each category one year from now? Will there be sacrifices you must make to achieve that one-year vision? What are they? Prioritize your goals, revisit them frequently, and remind yourself why you set out to accomplish these goals. Record your thoughts in your journal from The Frugality Game and remember the steps for keeping your commitment to yourself.

Begin thinking about these "life" categories and discover how you will achieve your goals in each one.

Challenges to achieving Goals and setting up breakthrough techniques

As mentioned earlier, it is important to create a diligent plan to help you achieve your goals. It is just as important to consider potential red flags or challenges that may negatively affect your chances of accomplishing your goals.

Referring back to the original example of taking a road trip, what if you unexpectedly get a flat tire along the way and neglected to check if there was a spare tire in the trunk? The hassle of encountering unforeseen events that negatively impact your plans is never a pleasant experience. Therefore, proper planning and anticipation is key! To prevent unwanted surprises along the way, take a moment to examine what challenges could occur along the way, and list

means of preventing and/or resolving such occurrences. In doing so, you will save yourself unnecessary stress that can interfere with you achieving your goals.

Goals	Potential Red Flags	Prevention / Resolution
1.	*a.*	*a.*
	b.	*b.*
	c.	*c.*
2.	*a.*	*a.*
	b.	*b.*
	c.	*c.*
3.	*a.*	*a.*
	b.	*b.*
	c.	*c.*

NOTE: Continually revisit your goals and reconsider the potential red flags. It never hurts to double-check!

Miscellaneous