



# Setting a SMART Financial Goal

## Establish Goals

Most of us have goals and dreams that we'd like to achieve. A very important first step in reaching them is to know exactly what they are – and to understand the steps you need to take to achieve them. All financial goals should be specific, measurable, and realistic.

Determine the amount of money you need and the timeline for saving the money. There are three types of goals: short-range, mid-range, and long-range. short-range goals are to be met in one year or less, mid-range in two to five years, and long-range in five years or more. Make your progress toward your goals trackable by setting aside a predetermined amount of money for them each month or pay period. It is important to remember that the goals must be within reason in order to achieve them. For example, setting a goal to retire at age 35 when you are 33 and have yet to save anything is likely not as achievable as setting that retirement goal further down the road.

The Financial Goals Worksheet will help you determine the timeline for your goals and the amount of money you'll need to regularly set aside in order to reach them. You may find the numbers daunting or even not realistic based on your current financial situation. To resolve this, consider ways to increase your income or decrease your expenses. You may even consider adjusting your goals. Determining your priorities at this point is essential. If you share your finances with someone else, discuss and set priorities together. It is not uncommon for couples to work at cross-purposes financially without even knowing it. By communicating with each other and determining what's most important, it will be much easier to reach your goals.

*Financial Goals.* Your financial goals are specific things you want to do with your money within a certain time period. Short-range goals are accomplished within one year, midrange goals are accomplished within two to five years, and long-range goals generally take more than five years to achieve.

	Target Date	Total Needed	Current Savings	Additional Savings Needed	Pay Periods Until Target Date	Savings Needed Per Pay Period	Savings Needed Per Month
Ex: Down payment for a house	36 Months	\$20,000	\$5,000	\$15,000	72	\$208.50	\$417
Short Range Goals							
Mid Range Goals							
Long Range Goals							
<b>Total:</b>							



# SMART Financial Goal

What is your SMART Financial Goal?

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**Specific:** knowing exactly what you're saving for

**Measurable:** knowing the exact amount of money you will save

**Adjustable:** can you make adjustments to your budget to be able to reach your goal.  
If you miss a monthly deposit you should be able to catch up.

**Realistic:** is it realistic based on your budget

**Time oriented:** setting a deadline to meet the goal

QUESTION	YES	NO
Is your goal specific?		
How much do you want to save?		
What is your monthly deposit? If you miss your deposit this month will you be able to catch up the following month?		
Is the goal realistic to your budget?		
Do you have an end date to reach your goal?		



# Saving Tips

## **SHORT-TERM GOAL** – 6 months to 1 Year: Adjustments to Monthly Budget

### **Increase income**

- Make adjustments to your W4
- Seasonal job
- Take paid surveys
- Have a garage sale
- Start a side hustle business like ride sharing

### **Reduce expenses**

- Use or search for coupons or rebates online (i.e. Honey.com)
- Stop unutilized subscriptions/memberships
- Make brown bag lunches/ home coffee

### **Short-term Goal Financial Strategies**

- Pay yourself first (save before you spend your paycheck)
- Set-up automatic payment into separate account (Specific event/Occasion)
  - Holiday spending / Anniversary / Mini-vacation
- 30-day savings challenge
- Start a change jar
- Consider lending circles with people you know and trust.
  - Lending circles are groups of people who come together to lend money to each other. They provide a way for individuals to get a loan without paying interest or fees.

## **INTERMEDIATE GOAL** – 1 to 5 Years: Savings

Look for savings products that fit your goal by considering the following:

- Availability to funds
- High returns (interest/dividends)
- Lower risks

### **Intermediate Goal Financial Strategies**

- Set-up automatic payment into separate account (Specific event/Occasion)
  - Wedding / New Car / Home Remodel
- 1 to 5 Year Treasury Bills
- 1 to 5 Year Corporate/Government Bonds
- 52 week savings challenge
- Plan for projected Tax Returns

## **LONG-TERM GOAL** – Longer Than 5 Years: Investments

### **Set-up automatic contributions into separate account**

- Stocks/mutual funds/long-term bonds
- Individual Retirement Account
  - Roth IRA / Traditional IRA
  - Employer 401k
  - Maximize employer matching contributions
- Educational Accounts
  - 529 plans / Coverdell Savings
- Mortgage Down Payment