

Goal Setting

Setting financial goals require that you be specific about the goal, that it is measurable, something that is achievable, realistic, and that you set a specific timeline or SMART.

For example, a statement such as "I want to save more money," does not spell out what you would like to accomplish. A statement such as "I will save \$1,000 within one year from now," is a specific, measurable goal with a timeline. Whether this is achievable and realistic will require you to assess the situation and to outline how you will achieve this goal. For example, you might say, "I can save \$1,000 within a year by saving \$2.74 per day by bringing my lunch from home, thereby spending \$2.74 less each day." This is realistic because you know that (a) you have time to purchase the groceries for the sandwiches, and (b) you have time to make the sandwiches in the morning or the night before.

Specific "I will to save \$1,000."

Measurable You can determine whether you are on track to achieving the goal or not. For example, do you have \$250 saved by the end of the 1st three months?

Achievable State the concrete steps or action to be taken. For example, "I will shop on weekends for the groceries to make my lunch for the week. I will get up a few minutes earlier, or make my lunch the night before."

Realistic You can realistically put away \$2.74 per day. You don't need it elsewhere. If this is not possible, and you are able to put away \$1.37 per day, then you may want to adjust your goal to: "I want to save \$500 within 1 year."

Timeline You have set a 1 year time frame in which to achieve the goal.

The following is a worksheet with some examples of common, short-term, moderate and long-term goals. What are your personal goals? Write them down along with steps that you will take to achieve that goal, and spell out how you know it is realistic.

Income and Expense Statement

Short-term: 1 year	Your personal goals
<p>Examples:</p> <ul style="list-style-type: none">• Pay off 2 credit cards• Go on vacation/take a trip to home country• Buy new furniture• Rent new apartment• Buy a car	
<p>Moderate term: 1- 5 years</p> <p>Examples:</p> <ul style="list-style-type: none">• Save to go back to school or continue education• Pay for a wedding• Save funds/build a reserve for starting a family• Down payment on a house, condominium or cooperative apartment• Savings target• Pay down long term loans- student/personal loans/car loans• Bring family from home country	
<p>Long-Term: 5- 10 years or more</p> <p>Examples:</p> <ul style="list-style-type: none">• Funds for children's education• Retirement savings• Funds for children's weddings	