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May 2006 MoneyMinute – Setting Goals

In our January MoneyMinute we sent out a spreadsheet to help you track your net worth as your year-end statements arrive. This month we are following up with tips for setting goals. An extra tab has been added to the Net Worth & Goal Setting spreadsheet (attached) to help you plan for some of your financial goals.

Why set goals? Goal setting is an important way to:

- Decide what is important for you to achieve in your life
- Separate the must-have from the nice-to-have
- Motivate yourself to achieve
- Build your self-confidence based on measured achievement of goals

How to effectively set goals?

- *Start with the end in mind:* Picture how you would like your life to be in 5, 10, 20 years. Picture yourself already enjoying your goal.
- *Write goals down:* Goals become real when you write them down and look at them in black and white.
- *State each goal as a positive statement:* Express your goals positively - 'I want to have XX amount saved in 10 years.' Or 'I want to retire in 14 years and learn to paint.' As opposed to 'I don't want to be working here in 5 years.'
- *Be precise:* Set a precise goal, putting in dates, times and amounts so that you can measure achievement. If you do this, you will know exactly when you have achieved the goal, and can take complete satisfaction from having achieved it.
- *Set priorities:* When you have several goals, give each a priority. This helps you to avoid feeling overwhelmed by too many goals, and helps to direct your attention to the most important ones.
- *Keep your goals private:* Only share your goals with others who are committed to reaching goals. Too often people are discouraged with negative comments from those who have not set goals that make them stretch.
- *Are my goals realistic but challenging?:* It is important to set goals that you can achieve. All sorts of people (parents, media, society) can set unrealistic goals for you. Set goals that reflect your own desires and ambitions.
- *Take responsibility for your goals:* You must take ownership and believe that your goals are attainable – it's just a matter of time, or more expertise, or focus. When a roadblock appears on the path to your goal, work around it because you know your goal is achievable.

Achieving Goals

When you achieve goals, allow yourself to enjoy this achievement of goals and reward yourself appropriately.

Remember too that your goals will change as time goes by. Adjust them regularly to reflect this growth in your personality. If goals no longer hold any attraction, then let them go. Goal setting is your servant, not your master. It should bring you real pleasure, satisfaction and a sense of achievement.

Sincerely,

Julie Schatz, CFP®

Member of the Garrett Planning Network

(PS: There are numerous sources for information on setting goals. Two that I used for this article are, "The Psychology of Achievement" by Brian Tracy and the <http://www.mindtools.com> web site)

The articles page on our website covers planning issues from real estate to long-term care, from investment risk to college funding, and more. See the rest at: <http://www.feelsonly.com/Articles.html>

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