

## Tool 1:

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# Goal-setting tool

This tool can help you with the process of setting goals. Identifying goals is important, because it helps you plan for and reach what is most important to you. When it comes to your finances, goals provide the direction for all of your plans. If you don't plan to save or set aside money for your goals, you probably won't. And in order to save or set aside for your goals, you have to know how much money you'll need and by when.

All goals take time and commitment to reach. Many goals also require information, help from a professional, tools, action plans, and money. There are four steps in the goal-setting process:

**Step 1:** Brainstorm a list of the hopes, wants, and dreams for yourself or your family. Determine whether they are short-term or long-term. Write these in the chart below.

**Step 2:** Turn your hopes, needs, wants, and dreams into SMART goals using the second worksheet.

**Step 3:** Create an action plan to reach your goals. For long-term goals, your action plan may be long and involve many steps. For other goals, you may only need to take a few steps to reach your goal.

**Step 4:** Finally, for goals that require money, figure out how much you need to set aside each week (or month) to reach your goal.

If you decide to make a budget or a cash flow budget (see Module 5), be sure to include money you need to set aside for your goals.

### Step 1: Brainstorm list of hopes, wants, and dreams

Fill in the chart below by listing the hopes, wants, and dreams you have for yourself and your family. Write the things you hope, want, or dream about achieving in less than six months in the short-term column. Write the things you hope, want, and dream about achieving in more than six months in the long-term column.

|   |  |
|---|--|
| <p><b>Short-term</b></p> <p>What I want to achieve for myself or my family within six months.</p> | <p><b>Long-term</b></p> <p>What I want to achieve for myself or my family that will take more than six months.</p> |
|   |  |

## Step 2: SMART goals

Use your list of hopes, wants, and dreams to create SMART goals. Use the checklist to make sure your goals are specific, measurable, able to be achieved, relevant, and time bound. You may have many things you want to achieve. If you can focus on one or two, you may have a better chance of reaching that goal.

|                        |   |
|------------------------|---|
| <b>Short-term goal</b> |   |
| Goal:                  | <input type="checkbox"/> Specific<br><input type="checkbox"/> Measurable<br><input type="checkbox"/> Able to be reached<br><input type="checkbox"/> Relevant (important to you)<br><input type="checkbox"/> Time bound (is there a deadline?) |
| <b>Long-term goal</b>  |   |
| Goal:                  | <input type="checkbox"/> Specific<br><input type="checkbox"/> Measurable<br><input type="checkbox"/> Able to be reached<br><input type="checkbox"/> Relevant (important to you)<br><input type="checkbox"/> Time bound (is there a deadline?) |

### Step 3: Action plan

Use the following worksheet to create an action plan. Remember to include resources you may need to reach your goals including:

- Information
- Tools
- Assistance from a professional
- Transportation
- Other resources

| <b>Steps to goal</b> | <b>Resources needed</b> | <b>Date to complete step</b> | <b>Check when complete</b> |
|----------------------|-------------------------|------------------------------|----------------------------|
|                      |                         |                              |                            |
|                      |                         |                              |                            |
|                      |                         |                              |                            |
|                      |                         |                              |                            |
|                      |                         |                              |                            |

## Step 4: Figure out weekly target

If your goal requires money, use this chart to figure out the amount of money you will need to set aside each week to reach your goals.

| Goals   | Amount needed | Number of weeks to deadline | Amount needed ÷ Number of weeks = Weekly amount     |
|---|---------------|-----------------------------|---|
| <b>Short-term</b>   |               |                             |   |
| Example: I will save \$50 within 6 months to start an emergency savings fund. | \$50          | 24 weeks                    | $\$50 \div 24 = \$2$ per week (about \$8 per month) |
| Goal:   |               |                             |   |
| <b>Long-term</b>  |               |                             |   |
| Goal:   |               |                             |   |

Once you know how much you need to set aside each week to reach a goal, be sure to add it into your budget or cash flow budget. For more information on cash flow budgets, see *Module 5: Getting through the month*. For ideas on finding money to save, see *Module 2: Saving for emergencies, goals, and bills*.

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