



Master Your Dollars: Goals, Choices, and Plans

Glennis M. Couchman

Family and Consumer Economics Specialist

How often do you get into your car to take a vacation and drive aimlessly down the highway? Does a football team enter a game without a plan to win? The need for planning is obvious. Setting goals can provide the direction to help dreams come true.

What are you and your family trying to achieve through the use of your money? Where are you now? First, decide what you want and then plan how to reach the desired outcome. The activities that follow are planned to help you set money management goals, determine what is most important to you, and make a plan to reach your goals.

Goals Provide Direction

Goals are specific aims toward which individuals and families are willing to work. Deciding what goals are important is the foundation of good money management. Goals may include saving for a car or a vacation, or paying off a credit card balance. Since no two families are exactly alike, no two families will have the same goals.

Deciding what is most important helps individuals use money and other resources to the best advantage. Goals provide the basic framework for making many decisions. Goals give direction to the way each of us live, spend money, and save. People who set and reach financial goals can enjoy the present, yet still know future needs and wants will be met.

If you do not set goals and have an action plan to reach the goals, your life may be described by "If I only had..." or "I wish I had..." Many people spend for today with little thought for the future. Then when a financial crisis occurs, they have difficulty coping with the event. Planning in advance for the possibility of a crisis helps people cope when bad times occur.

Goals change over time. You may find you have set some goals too high or too low. Goals that are unrealistic or too far into the future may provide an excuse for not trying to reach them. Some people



lack time, money, and patience to achieve certain goals. Family or personal situations change, and as they do, so will needs, desires, and long-range dreams. Therefore, goals should be evaluated on a regular basis and revised when necessary.

Values Influence Goals

Family members may find they disagree about which goals are important. Goals develop from values—your ideas about what is important. Values are deep-rooted beliefs you have about the way you live. Values develop from experiences during childhood, at church, at school, and in the community.

The feelings people have about money reflect their values. Some feelings about money are easy to explain. Others may be hidden and difficult to recognize. No two people will have exactly the same feelings about money or value it in the same way. For example, to some people, having money in a savings account gives a feeling of security; to another person, money may mean having a well-known name brand and style of clothes to fit in with the "in-group."

When two people marry, each brings to the marriage a set of values about the use of money: "his and her" values. Over time, it is important that a couple develop a set of values about managing money that reflects an attitude of "our" finances.

Becoming aware of values requires asking yourself some questions. Each family member should

answer the questions in the following activity. Allow all family members time to answer the questions before the family gathers to discuss the questions and answers. Select a time for discussion when all family members are rested and relaxed. Encourage all members to share their thoughts. If single, answer the questions to better understand how your values relate to handling money.

Activity: Attitudes About Money

There are no right or wrong answers. The answers to the statements provide an understanding of each person's feelings about spending money. This activity is important for setting goal priorities.

Attitudes About Money

- I like to spend money on . . .
- I dislike spending money on . . .
- It is important to save money for . . .
- If I suddenly had \$1,000, I would . . .
- If I had to cut spending, I would spend less on . . .
- The worst choice I made with money was to . . .
- I made this choice because . . .

What are my (or our family's) most critical money concerns? Check (✓) all that apply.

- Not enough money
- No spending plan
- Using too much credit
- Lack of savings
- Purchasing unnecessary things
- Impulse buying
- Differences in what is important to each of us
- No short-term and long-term goals
- Arguments about money
- Trying to "keep up" with friends or relatives
- Other (list) _____

Arguments between family members about how money is to be spent are not uncommon. Disagreements will require discussion, compromise, and trade-offs. Talking and sharing feelings helps develop a better understanding of different values. Successful living within a family makes it necessary to ask what "we" need and want—not what "I" need and want. To achieve money management goals, family members must be willing to work together and share personal feelings.

Identifying and Setting Goals

Money management involves designing a plan for deciding what you and or your family want to do with your money. This involves identifying the goals to be achieved or problems to be solved, looking at various ways to reach the goals, considering the possible outcome of each way, and selecting the best way.

Goal setting weighs current wants with delaying choices for future enjoyment. Your goals must be realistic in regard to the amount of money available, or you set yourself up for defeat before you even start. Thinking through the following questions can help decide your commitment to a goal.

- **Is the goal possible?** Individuals and families need to select realistic goals, not ones that cost so much money or time that success is unlikely.
- **Is the goal worthwhile?** Does the goal fit with your values? What will you be giving up to achieve the goal? How will you benefit from the goal?
- **Is the goal your own choice?** Or, is it something someone else wants for you? People work toward achieving goals when the goals are their own choice or they have a part in deciding which goals are most important.
- **Is the goal specific?** Can you measure the progress toward reaching the goal? Can you decide when you have reached it? For example, if one of your goals is to pay off a credit card balance, you must be specific about the estimated monthly cost of reaching this goal. This is defining the goal in specific, measurable terms.
- **What is the completion date?** Can you reach the goal in a set time period? Goals are easier to complete when a time-frame is planned.

When a goal is achieved, you feel a sense of success. It also gives a sense of pride that builds confidence in your ability to make decisions and take action. The success then stimulates more

goal setting, future success, and more self-confidence about handling money.

People need to set both short-, intermediate, and long-term financial goals. Goals differ in the amount of time, money, and other resources needed to reach them. Short-term goals are ones that can be achieved in less than two years. Intermediate goals are those things you wish to achieve in two to five years. Long-term goals relate to things you want to accomplish in the next six or more years.

Activity: Goals You Want to Achieve

Take time to write down your personal and/or family financial goals. It would be helpful to have each family member independently complete the following activity on separate sheets of paper. Then, meet to discuss each person's goals. List several short-term, intermediate, and long-term financial goals in the spaces provided below. An example is given for each type of goal. If there is not enough space to list all of the goals you are considering, add an additional page.

Goals You Want to Achieve

Short-Term Goals (3 months to 2 years)	Estimated Cost
Example: Pay off credit card balance.	\$950

Intermediate (2 to 5 Years) and Long-Term Goals (6 to 20 Years)	Estimated Cost
Example: Build emergency savings fund equal to 3 months take-home pay.	\$6,500 to \$7,000

Decide Important Goals

Most people want a large number of things beyond their basic needs. This requires making choices by deciding which goals are most important. It is impossible to accomplish all your goals at the same time. Some goals will have greater importance than others. Other goals may need to be delayed until a later time.

Family needs and resources affect goals. During the early years of marriage is the time for setting many goals, often with major importance on continuing education, establishing a career, and purchasing a home and furnishings. Couples in the childbearing and child-rearing years often have responsibilities for the well-being and education of children. Housing change and career changes

could be important goals during the mid-life years, while enough income for living expenses and health care are important aims during retirement years.

Activity: Financial Goals — Estimated Cost and Target Dates

Refer to your lists of short-term, intermediate, and long-term goals. Take time to discuss the goals as a family. Next, decide the importance of each goal and list goals in priority order with realistic dates. Then, estimate monthly costs of the goals. Some target dates will be deadlines for completion of goals. Other target dates will be check points to measure progress on reaching the goals. Examples are given for a short-term and an intermediate goal.

Financial Goals: Estimated Cost and Target Dates

Priority	Short-Term Goals	Target Date to Complete Goal or Evaluate Progress	Estimated Cost per Month
Example:	Pay off credit card balance of \$950.	12 months from now; evaluate progress every 3 months.	\$85 to \$90
1			
2			
3			
4			
5			
6			

Priority	Intermediate and Long-Term Goals	Target Date to Complete Goal or Evaluate Progress	Estimated Cost per Year
Example:	Build emergency savings fund equal to 3 months take-home pay.	3 1/2 to 4 years; evaluate progress every 6 months.	\$2,000 to \$2,250
1			
2			
3			
4			
5			
6			

Action Plan To Reach Goals

Planning short-term goals with intermediate and long-term goals is very important. A short-term or intermediate goal could conflict with a long-term goal. If this happens, a family must analyze the goals and then find a solution to eliminate the conflict. The ability to meet long-term goals will be shaped by the demands of your immediate needs. If you buy something on impulse, that money is no longer available for working toward goals. You will have lost a chance to move closer to achieving your goals.

Now that the family has assigned importance to their goals, it is time to outline actions needed to reach the goals. The following plan to reach the goals includes a commitment to use four resources:

- 1) people involved — persons directly involved to complete goals;
- 2) money — total dollars needed to reach the goals;
- 3) time — amount of time needed and when to start; and
- 4) money management tasks — specific management tasks needed to reach goals.

Activity: Financial Goals — Action Plan

When you complete the activity on this page and the following page, you will have identified the money, people, time, and management tasks needed to reach your goals. This action plan provides a start for your goal management now and in the future. An example action plan is given for a short-term goal and an intermediate/long-term goal.

Set your own plan for determining achievement of a goal. Realize there are several ways to reach a worthwhile goal. Try to find the best plan for you and your family.

Changes And Trade-Offs

Changes in personal and family life-style may require changing the goals and action plan. A

family/individual crisis or shift in resources will require immediate attention to your plan. Changes may occur in your financial situation. Your income may increase or decrease. Perhaps your marital status changes because of divorce or death of a spouse. Individuals must manage in relation to the changed situation, react quickly to the situation, and be flexible. Available money to meet goals may become limited, and you will need to adjust the plan to meet the new demands.

The method you use to set goals and the action plan to reach the goals does not matter. What is important is to develop a goal-setting plan that works for you. Once money management goals have been set, many things begin to fall into place because the management of your money has direction and focus.

Financial Goals: Action Plan

Priority Goals	Activities that Support Goals	Resource Commitments			
		People Involved	Money	Time	Money Management Tasks
<i>Short-Term Goals</i>					
Example: Pay off credit card balance of \$950.	<ol style="list-style-type: none"> 1. Stop making future charges on the credit card. If needed, lock up the card. 2. Commit to paying \$85 to \$90 to credit card company each month. 	Sara Brent	\$950 (\$85 to \$90 per month)	12 months	<ol style="list-style-type: none"> 1. Control impulse purchases. 2. Carefully budget monthly income. 3. Do not make additional charges on the card.

Priority Goals	Activities that Support Goals	Resource Commitments			
		People Involved	Money	Time	Money Management Tasks
Example: Build emergency savings fund equal to 3 months take-home pay	<ol style="list-style-type: none"> 1. Investigate savings plan options. 2. Use income tax refund. 3. Use some money from pay raises. 	Sara Brent	\$6,500 to \$7,000	3 1/2 to 4 years	<ol style="list-style-type: none"> 1. Develop "pay yourself first" attitude. 2. Evaluate monthly budget. 3. Budget for monthly savings. 4. Set up an automatic direct deposit plan.

A goal-setting action plan can also help keep you and your family from slipping into the easy habit of spending too much money for instant gratification. Setting and achieving goals requires commitment, patience, and persistence.

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Extension carries out programs in the broad categories of agriculture, natural resources and environment; home economics; 4-H and other youth; and community resource development. Extension staff members live and work among the people they serve to help stimulate and educate Americans to plan ahead and cope with their problems.

Some characteristics of the Cooperative Extension system are:

- The federal, state and local governments cooperatively share in its financial support and program direction.
- It is administered by the land-grant university as designated by the state legislature through an Extension director.
- Extension programs are nonpolitical, objective and based on factual information.
- It provides practical, problem-oriented education for people of all ages. It is designated to take the knowledge of the university to those persons who do not or cannot participate in the formal classroom instruction of the university.
- It utilizes research from university, government and other sources to help people make their own decisions.
- More than a million volunteers help multiply the impact of the Extension professional staff.
- It dispenses no funds to the public.
- It is not a regulatory agency, but it does inform people of regulations and of their options in meeting them.
- Local programs are developed and carried out in full recognition of national problems and goals.
- The Extension staff educates people through personal contacts, meetings, demonstrations and the mass media.
- Extension has the built-in flexibility to adjust its programs and subject matter to meet new needs. Activities shift from year to year as citizen groups and Extension workers close to the problems advise changes.

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