

A FRESH LOOK AT GOAL SETTING

We live in a goal-driven society. Think about it. It's New Year's Eve, and what's on the typical American's mind? Resolutions (aka goals). With the best of intentions we make bold declarations: "This year, I'm going to give up smoking, run a marathon and lose weight;" "This year I'm going to get a new job that pays better, save more money for retirement (and lose weight);" "This year I'm going to spend more time with my family, get organized (and, you guessed it, lose weight)."

We're using humor here to make a point. Setting numerous aggressive goals all at once is admirable and quintessentially human (you are not alone). But it puts us at greater risk of falling short of our objectives which engenders a vicious circle of self censure and feelings of failure that then tempt us to just avoid the whole idea of setting goals.

Yet setting goals — especially financial ones — is critical to getting the things that you want and need in life. For some, setting financial goals comes naturally, but for many more of us, it is a learned behavior. Many financial gurus make it seem that you have to don an eye shade, break out the spreadsheets and unearth your slide rule and thirty years worth of bank statements from your attic in order to start setting financial goals. That's a lot to do when you're already in the thick of your financial life where tuition is due, where mortgages have to be repaid and your car needs a new transmission. It can often be difficult to see the path ahead.

We'd like to suggest something simpler – a kind of financial training wheel if you will. The fact is, you can't go from 0 to 60 in 4.5 seconds unless you're behind the wheel of a Porsche 911 Carrera (speaking of goals)! This exercise recommended by the Consumer Credit Counseling Service is a great way to just get used to the idea of setting goals.

Write down your goals - take out an index card, a sticky note or a piece of paper (don't put it in your Blackberry) and do the following:

- 1 – Write down something you want that will cost less than \$500
- 2 – Write down something you want that will cost between \$500 and \$2,000
- 3) Write down something you want that will cost more than \$5,000

As an example, this writer's goals are:

1 – Under \$500 - Buy a new pair of good quality workout shoes

2 – \$500 to \$2000 - Buy a new, lightweight laptop computer

3 – Over \$5,000 - Buy a good quality used car

The very nature of this exercise cleverly steers you to set short-term, mid-term, and long range goals (that was easy, wasn't it)? Rather than thinking about the cost of all the things you need or want at once and feeling overwhelmed, you force yourself to focus solely on a reasonable short-term objective – in my case, buying a new pair of workout shoes.

Now, with your goals in hand, put that index card or piece of paper alongside your cash and credit cards – so that every time you reach into your purse, your wallet or your pocket to buy something, you catch a glimpse of it. When you do, pause and review the goals you've written there and ask yourself if what you are just about to buy is going to help you get closer to achieving any of those goals. If the answer is no, maybe you should politely take your leave from the cash register.

Of course in future modules, we will be covering financial goal setting in greater detail, but we encourage you to try this exercise for the next six months to a year just to get your feet wet. You will be surprised how easily you can maintain a goal-setting mindset and, most importantly, relish the feeling of accomplishment that comes from achieving them.