
Decision Making & Goal Setting Unit Outline

Goals & Financial Success

- ▶ A **goal** is anything *you* want to accomplish
- ▶ People become financially successful by following these two steps:
 1. Having goals
 2. Creating a plan to achieve their goals



Types of goals:

Short-term goals are to be achieved in less than one year.

Intermediate goals are to be achieved in two to five years.

Long-term goals take more than five years to achieve.

Values:

- **Values** represent your principles and standards that you prefer to live by. Values shape your goals and determine your priorities.

Needs vs. Wants:

- ▶ A **need** is something you must have to survive.
- ▶ A **want** is something you would like to have, but could survive without.

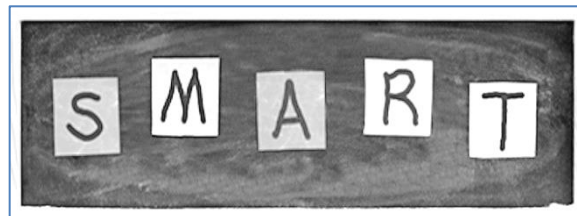
Major vs Routine Decisions:

Major decisions have long-term effects that should be thought through carefully

Routine decision occurs on a daily basis with very little planning involved. Routine decisions are typically habitual.

S.M.A.R.T. Goals:

- ▶ **Specific**
- ▶ **Measurable**
- ▶ **Attainable**
- ▶ **Realistic**
- ▶ **Time Bound**



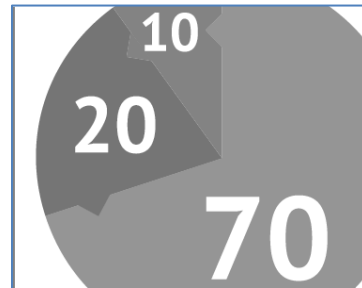
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- ▶ **Specific:** State exactly *WHAT* must be accomplished, *HOW* it will be accomplished, *WHEN* it will be accomplished, and *WHY* you desire to accomplish your goal. (Vision – Journey – Destination)
- ▶ **Measurable:** How much or how many is needed to accomplish your goal?
- ▶ **Attainable:** Your goal should be reasonably attainable and reachable by you.
- ▶ **Realistic:** Decide if your goal is a *real* possibility for you to achieve. Ask yourself if the destination of your goal is possible to obtain. Can you make progress along the way?
- ▶ **Time Bound:** Specifically state *WHEN* your goal will be reached. What is your timeframe or deadline?

Financial Planning:

Financial planning can be very helpful in helping you successfully achieve your financial goals.

- ▶ **Financial planning** is preparing to *spend*, *save*, and *invest* your income.
- ▶ **70-20-10 Rule:**
 - ▶ **Spend** 70% of your income
 - ▶ **Save** 20% of your income
 - ▶ **Invest** 10% of your income



4-Step Decision Making Process:

The 4-step decision making process will help you achieve your goals by making a specific plan.

1. State the problem in the form of a question – what is it that you need to decide?
2. List the pros and cons of your problem
3. Make a decision
4. Evaluate the results afterwards

