

CARROLLTON BANK

Setting Financial Goals

This is the first step. Knowing where you are and where you want to be is key to any successful plan.

The best way to get where you want to go is to set SMART goals.

SMART goals are:

- Specific
- Measurable
- Adjustable
- Realistic
- Time-Oriented

Instead of a general goal like: “I want to pay off my credit cards,” a SMART goal is: “I will pay off my credit card debt of \$1,200 within 12 months by taking my lunch to work instead of eating out and drinking regular coffee instead of expensive coffee drinks daily.”

So the goal is: Save \$1,200 in a year to pay off credit card debt. That’s \$100 per month; \$25 per week; \$3.57 per day.

For many people, it’s easier to think about saving \$3.57 a day than \$1,200 in a year. Break your goal down into small pieces and use the SMART method.

So, how can you come up with an additional \$3.57 each day or \$25 per week? Start with the places where you spend a little money everyday, such as snacks, cigarettes and fast food. These can add up to the savings you need.

Cost Per Item	Cost Per Day	Cost Per Week	Cost Per Month	Cost Per Year
Chips	\$1	\$7	\$30	\$365
Cigarettes	6	42	180	2,190
Fast food		20	87	1,040

What are some areas where you could stop spending money and instead start saving?

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Break down your goals into short, intermediate and long-term timeframes.

- Short-term (within the next 6 to 12 months)
- Intermediate-term (within the next 1 to 5 years)
- Long-term (more than 5 years away)

Note: Your short-term timeframe may be different from someone else's short-term timeframe. You can decide on the exact length of these three timeframes, based on your situation.

You approach each type of goal differently:

- Budget for short-term goals
- Save for intermediate-term goals
- Invest for long-term goals

With some hard work, planning and discipline you'll see that with reaching your goals you'll also have:

- Less stress
- The satisfaction of achieving your goals
- Greater control of your life, which leads to peace of mind

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What Are Your Goals?

List some of your goals...you may have more in some categories than in others.

My financial goals include:

My educational goals include:

My family goals include:

My personal goals include: (physical, health, social, recreation)

Now choose several goals that are most important to you. List them here and identify each goal as short-term (1 year or less), intermediate-term (1 to 5 years) or long-term (more than 5 years).

List the goals in order of how important they are to you. Then write down what you could be doing now and the resources you need to achieve each goal.

Goal	What you can be doing now	Resources needed
1.		
2.		
3.		

