

PERSONAL FINANCE

TASK 1: SET PERSONAL FINANCIAL GOALS

VE Departments Involved

All Employees

Month for Activity/Time Frame

September/month 1/1 day

Outcomes

Employees will:

- Explore the purpose of financial goals
- Discover the role of decision-making in achieving goals
- Examine common obstacles to achieving goals

Note: This lesson is adapted from VE Economics, Lesson 18, Personal Finances.

Activities/Strategies

Convene a meeting with the entire staff.

Engage students in a discussion about personal goals:

- Ask employees to list goals they would like to accomplish in life.
- Write each answer on a flip chart or board and assign a cost to each.
- Have employees sort the goals into three categories: short-term (less than 6 months to achieve) medium-term (less than a year), and long-term (longer than a year).
- As a group, discuss some of the factors that go into categorizing short-term, medium-term, and long-term financial goals. Explain that goals may be categorized by the life stages when they will likely be accomplished and by the amount of money required (goals that require less money may also take less time to achieve).
- Help students to see the difference between needs and wants by asking them to discuss whether any of their recent purchases were items they needed or wanted. Identify common “needs,” such as clothing and food and “wants,” such as coffee drinks and dinner at an expensive restaurant.
- Discuss how needs and wants relate to one another: What happens if you spend all of your money on things you want? What if an unexpected “need” prevents you from saving for a “want”?
- Elicit strategies for balancing the two (e.g., making a budget with spending categories)?
- Distribute Worksheet PF 1 *Setting Financial Goals* (shown below and also found on the VE Website under Resources/Reference Files/Personal Finance).

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Have employees complete the PF Worksheet 1, then have them explain their answers to the following:

- What did you learn about setting and achieving financial goals from this worksheet?
- How are short- and long-term goals different? How necessary is it to set both short- and long-term goals?
- How did you go about prioritizing your goals? Why is this an important step?
- Why is goal-setting considered an essential step in investing effectively?
- After reading the paragraph below, complete the sections labeled, “Financial Goals,” “Short-Term Goals,” “Long-Term Goals,” and “Prioritizing Goals” for yourself. Ignore the instructions about family members. Complete the section labeled “Prioritizing Goals,” for the short-or long-term goal that you consider to be your most important goal, the goal on which all others depend. Ignore the part of this section labeled, “Who Will Do It?” (This section only applies to your personal goals).

According to some estimates, less than five percent of the population has clearly defined goals. Yet setting financial goals is the first step to developing an effective spending plan. Without goals, you may be dissatisfied with where your life is going and how you are using your resources. Without goals, you may find whatever happens at any given moment will set you off in a new direction, without thought to where you will end up. When you set goals you are saying to yourself, “I have a future and I can control it.” The goals you set will help you to decide where you are going, what you need to do to get there, and when you want to arrive.

Materials/Resources

PF Worksheet 1– Setting Financial Goals, shown below and which can be found on the VE website under Resources/Reference Files/Personal Finance.

Mastery/Assessment

Submission of a completed PF Worksheet 1.

PF WORKSHEET 1

Financial Goals

List some things you want that will require financial resources. If you are setting financial goals for the family, each family member should write a list of wants requiring financial resources.

Things I Want That Require Money

1
2
3
4

5
6
7
8

Short Term Goals

Goals focus on *what*, what you need or what you want. Some goals you have listed can be achieved in two years or less. These goals are referred to as *short-term goals*.

From the list(s) you prepared, list the short-term goals. Be sure to combine the short-term goals of all family members.

Goals That Can Be Achieved in Two Years or Less

PF WORKSHEET 1

Long-term Goals

Long-term goals relate to what you want to accomplish in five or more years. Long-term goals usually require more resources for achievement. From your list(s) of wants, write down your long-term goals. Include the long-term goals of all family members.

Goals That Can Be Achieved in Five Years or More

Prioritizing Goals

Typically there will be more goals than there are resources available for reaching them. You must now prioritize the goals you have. Most financial planners agree that it is almost impossible to work toward more than two or three goals at once. If you have already identified what you think is important, reaching the goals in order of importance will be fairly easy to do.

Identify the goals in the order you want to reach them. To identify possible conflict, each family member should develop a list of short-term and long-term goals to work toward.

Individual Short- and Long-term Goals to Work Toward

	Goals	Check the type of goal:	
		Short-term	Long-term
1			
2			
3			
4			
5			

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PF WORKSHEET 1

Prioritizing Goals		
Goal:	<input type="text"/>	
Target Date:	<input type="text"/>	
Cost/Resources Needed:	<input type="text"/>	
What Needs to Be Done:	Who Will Do It:	By When (Date):
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>