What is Financial Goal Setting?

Worksheet

Financial goal setting means identifying specific, measurable money targets (e.g., save $10,000 in 12 months) with a realistic deadline and a step-by-step action plan to reach them.

Questions

1. Which goal is SMART?

A) Save money
B) Save $5,000 by Dec 2025
C) I want to be rich
D) Invest in stocks

2. $50K debt in 5 years. Monthly payment?

A) ~$833/month
B) ~$4,167/month
C) ~$100/month
D) ~$1,000/month

3. Why prioritize goals?

A) For fun
B) To allocate limited money wisely
C) Because all goals matter equally
D) Not necessary

4. You're 50% toward a $10K goal. Next step?

A) Abandon it
B) Recalculate the remaining time & adjust monthly savings
C) Do nothing
D) Make a new goal

5. Your dream is to buy a 300,000 house down payment (20% =60,000) in 5 years. How much per month?

6. You have $5,000 debt and want to pay it off in 1 year. Plan monthly payments.

7. You want 50,000 invested for retirement in 10 years. Target: save300/month. Will you make it?

8. Define: What is financial goal setting?

9. Define: What does SMART mean?

10. Define: Should goals be ranked?

Answer Key

1. B) Save $5,000 by Dec 2025 — It's Specific ($5K), Measurable, Achievable, Relevant (emergency fund), and Time-bound (Dec 2025).

2. A) ~$833/month — 50K / 60 months ≈833/month (interest added separately).

3. B) To allocate limited money wisely — Resources are finite; prioritizing ensures you tackle urgent and impactful goals first.

4. B) Recalculate the remaining time & adjust monthly savings — Track progress, celebrate the milestone, and either accelerate or adjust the deadline.

5. Total needed = 60,000 Timeline = 5 years = 60 months Monthly savings =60,000 / 60 = $1,000/month

6. Debt = 5,000 Timeline = 12 months Monthly payment =5,000 / 12 ≈ $417/month (Add buffer for interest if high-interest credit card)

7. Monthly savings = 300 Months in 10 years = 120 Total accumulated =300 × 120 = 36,000 (Plus 5% annual return ≈50,000) — feasible with investment growth

8. Defining specific, measurable money objectives with a timeline and action plan to achieve them.

9. Specific, Measurable, Achievable, Relevant, Time-bound — a framework for clear goals.

10. Yes — prioritize by urgency and life impact so you allocate resources wisely.