What are SMART Financial Goals?

Worksheet

SMART financial goals are Specific, Measurable, Achievable, Relevant, Time-bound targets. They replace vague wishes with concrete plans, making progress trackable and achievable.

Questions

1. Which is a SMART financial goal?
A) I want to invest more money
B) Save $15,000 for a car down payment by August 2026
C) Get better with money this year
D) Reduce expenses somehow

2. What makes a goal 'Measurable'?
A) It feels important
B) It has specific numbers and can be tracked
C) It sounds achievable
D) It has a deadline

3. You want to 'become wealthy.' Is this SMART?
A) Yes, it's aspirational
B) No, vague — not specific, measurable or time-bound
C) Yes, everyone wants to be wealthy
D) No, it's not time-bound

4. Which goal violates the 'Achievable' principle?
A) Save 12,000 in 1 year on40K salary
B) Save 50,000 in 1 month on30K salary
C) Pay off $5,000 debt in 10 months
D) Invest $200/month for retirement

5. Convert the vague goal 'I want to save more' into a SMART goal.

6. Create a SMART goal to pay off debt faster.

7. You want to invest. Create a SMART investing goal.

8. Define: What does SMART stand for in goals?

9. Define: Why are vague goals ineffective?

10. Define: Example of a vague vs SMART goal?

Answer Key

1. B) Save $15,000 for a car down payment by August 2026 — Specific ($15,000), Measurable (car down payment), Achievable (timeline clear), Relevant (major purchase), Time-bound (by August 2026).

2. B) It has specific numbers and can be tracked — Measurable means you can quantify progress — $5,000, 50 lbs, 3 months, 90% debt payoff.

3. B) No, vague — not specific, measurable or time-bound — Too vague. Make it SMART: 'Build 100K net worth in 5 years by saving1,500/month + investing 7%.'

4. B) Save 50,000 in 1 month on30K salary — 50K in one month on30K income = mathematically impossible. Not achievable.

5. Specific: Save for an emergency fund Measurable: 10,000 Achievable: Save500/month (income permits) Relevant: Financial security and peace of mind Time-bound: By end of 2025 (12 months) SMART Goal: 'Save 10,000 in my emergency fund by Dec 31, 2025, by setting aside500 monthly.'

6. Current debt: 8,000 credit card at 18% APR Vague: 'Pay off my card debt faster' SMART: 'Pay off8,000 credit card debt by June 2025 by increasing payments to $600/month (16 months)' Check: Specific Measurable Achievable (budget allows) Relevant Time-bound

7. Specific: Build stock portfolio via index fund Measurable: Accumulate 20,000 Achievable: Invest400/month Relevant: Long-term wealth growth for retirement Time-bound: 50 months (4+ years) SMART Goal: 'Invest 400/month into a low-cost index fund to reach20,000 by 2029.'

8. Specific, Measurable, Achievable, Relevant, Time-bound. A framework for clear, actionable financial targets.

9. No clarity on target, no way to measure progress, no deadline → easy to abandon.

10. Vague: 'Save more money.' SMART: 'Save 5,000 in 6 months by putting833 aside each month.'