

Set your goals

The first step to managing
your money better.

Inside . . .

- ▨ Set your financial goals
- ▨ Write your goals down
- ▨ Set actions to reach your goals



Set your financial goals

When you set a financial goal you decide how you are going to use your money in the future. Setting your financial goals puts you in charge of your money and your life.

Your goals can be for a short period of time or over a longer period. Your goals can be small or large.

Your goals could be to:

- Pay off your credit card in six months.
- Save for a family holiday next year.
- Buy a house in five years' time.

The important thing is to keep each goal simple, and give it a timeframe and a dollar figure.

Financial goals are often about saving or paying off debt:

- If you have high-interest debt (e.g. credit card or hire purchase) your main goal will be to pay that debt off as soon as possible.
- Saving 2-3 months' income for an emergency fund can help you and your family if anything unexpected happens.
- If you have a mortgage and can afford to increase your repayments, your goal may be to save interest by paying off your loan faster.
- The earlier you start saving for your retirement the better. Even a small amount saved every week or month can add up to a lot over time.





Goals worksheet

Date:

6 month goal

My goal is to:

by (date)

It will cost \$:

My action – to achieve this goal I will:

by (date)

Date:

12 month goal

My goal is to:

by (date)

It will cost \$:

My action – to achieve this goal I will:

by (date)

Date:

2 year goal

My goal is to:

by (date)

It will cost \$:

My action – to achieve this goal I will:

by (date)

Date:

5 year goal

My goal is to:

by (date)

It will cost \$:

My action – to achieve this goal I will:

by (date)



Date:

10 year goal

My goal is to:

by (date) It will cost \$:

My action – to achieve this goal I will:

by (date)



Date:

Retirement goal

My goal is to:

by (date) It will cost \$:

My action – to achieve this goal I will:

by (date)



I will look at my goals again on

Kiwi story

▨ ... Sean gets specific

Sean is 35 and lives in Feilding with his wife and 10-year-old daughter. His main financial goal is to pay off his hire purchase and other small debts.

Both Sean and his wife are working, but Sean says it's a struggle just to save a small amount each week. Sean thinks paying off these debts will make things easier.

Sean has used **sorted.org.nz** a lot over the last couple of years. Before he went on the website, he said his finances were "a bit loose". With the help of Sorted, he and his wife have now got more control of their finances.

Sean planned his actions very carefully so they would help him achieve his goals.

He wrote down exactly how much he and his wife would pay off on the hire purchase each week. He also calculated when the hire purchase and other debts will be paid off. Once this goal has been reached, Sean and his wife will be able to save that extra money.

Later Sean wants to save an emergency fund so that his family has enough to live on for two or three months. In 10 years' time, Sean and his wife want to have saved enough money to help his daughter pay for tertiary study or get a deposit for her first home.

Write your goals down

Use the worksheet inside this booklet to write down your goals and the actions you need to take to reach those goals.

Goals

Each goal needs to be specific and have a date you plan to reach it by.

- Set some big goals – like owning your own house in the next five years or saving for your retirement.
- Set some smaller goals to help you get there – like saving for a deposit or paying off your credit cards.

Actions

Actions are the steps you take to reach your goals. The actions can be big or small, but should always get you closer to what you want. Decide the date you want to finish your action by, and stick to that date.

For example, if your goal is to save for a house deposit, your action may be to open a savings account by next pay day and save \$50 a week into this new account.

If your goal is to save for your retirement, your action might be to talk to your employer about joining KiwiSaver.

Get your family to set goals as well. If you have a partner, set your goals together.

In six months or after a year, review your goals to see how you got on. When you achieve a goal, celebrate. Then set yourself a new goal – but don't make the new goal too hard.

Use the worksheet inside this booklet or try the My Goals worksheet on sorted.org.nz



Make a budget

Once you have set your goals, work out a budget to see if you've got money left over to pay off debt or to save towards your goals.

- Use our free Budgeting booklet.
- Try the Budget calculator on sorted.org.nz

Where to now?

- ① Written down your financial goals?
- ② Set actions to achieve them?
- ③ Made a date to review your goals?

Next step:

e.g. make a budget.



Sorted booklets

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