

SETTING GOALS



You're not alone: Making ends meet

- More than 77 million Americans—or 40% of us—say we live paycheck to paycheck. [SOURCE: State Farm Family Financial Forecast, August 2005]
- Nearly one-quarter of Americans say that after they've paid their basic living expenses, they have no money left over. [SOURCE: ACNielsen Global Survey, January 2006]



Cut this chart out and hang it somewhere you see every day. Fix those goals in your mind.



You wouldn't start down a road without having a destination in mind. In this journey, the destination is achieving your financial goals.

Because you're reading this Guide, you may already have some financial goals in mind. But it's important to write them down—seeing them on paper makes them real and also helps keep them in front of you when the road seems long.

Your goals will probably fall into one of five types:

- Make ends meet**—You want enough money every month to pay your bills and expenses, and have enough left over to treat yourself to a night out.
- Improve your credit**—Your credit score is too low to qualify for loans or your low score means higher fees and interest charges.
- Save for the future**—You need a “nest egg” for emergencies, college savings, retirement, or down payments on houses or cars.
- Cut debt**—You feel like you have too many credit cards or unpaid bills that are adding up or making it difficult to keep up with payments.
- Make major purchases**—You're in the market for a new home, car, boat, or other big-ticket purchase.



Use this chart to write down your financial goals:

- What** are your financial goals? For example, buying a new car or a house, cutting down your debt, improving your credit, . . .
- When** do you want to achieve them?
- Why** do you want to reach those goals? Do you want a safe place for your children to play? Do you want peace of mind? Spend some time thinking about the “Why's”—they're the reasons you are willing to work to achieve your goals.
- How** are you going to achieve these goals? As you read this Guide, you can fill in your ideas to achieve your goals.

MY FINANCIAL GOALS WORKSHEET			
What?	When?	Why?	How?
Example: Buy a new car	Within 3 years	So that I can have a safe car to drive my children around in.	Open Savings account for car fund. \$15 per week and NO withdrawals!

The rest of this guidebook will help you down the route to these goals. We'll start with making ends meet and starting to save. Then you can read about managing your debt, understanding and improving your credit and the financial tools you'll need along the road.