

Goal Setting



LESSON 1

Goal Setting helps kids envision why they are saving and what they are saving for—and creating goals is the essential first step toward money confidence.



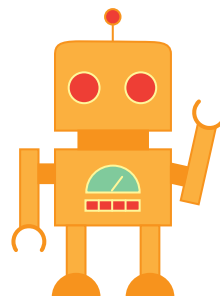
Middle School,
Seventh Grade



High School
Junior

Better Get a Budget

I'm so excited! The science fair is in 10 weeks, and I've decided to design, build, and program a robot that can build other robots! How cool is that? I'll get the gold medal for sure! I shopped around, and the parts will cost me \$140.



I went over to Grandpa's house to have him check out my design and give me advice on raising the money I need. But he didn't want to talk about money first. He wanted to start with my goal. He said that people and businesses often use a process called **SMART goals** to make decisions. Goals need to be **S**pecific, **M**easurable (meaning there's a way to tell if you succeeded or failed), **A**chievable (meaning doable), **R**elevant (meaning appropriate or fitting for your current lifestyle), and **T**ime-specific (meaning there's a deadline).

Specific

Your goal is clearly defined and states exactly what you are going to achieve.

Measurable

Track your progress and know when your goal is met.

Achievable

Your goal challenges you but is also something realistic.

Relevant

Your goal is connected to what is valuable and important to you.

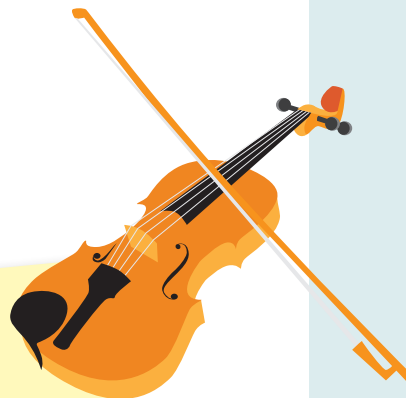
Time-specific

Your goal includes a date you will have achieved it by.

To check the “Achievable” part of the SMART goals test, Grandpa helped me figure out whether I could pay for the parts I’d need for my robot. Here’s a list of my weekly **income**, **expenses**, and **savings**:

- My allowance is \$7 each week.
- I babysit little Maggie Moore one hour a week and get paid \$10.
- I buy a \$1 bag of potato chips every day at school.
- I spend \$8 per week playing video games.
- I give \$4 to Mom to pay her back for my new viola strings.

Grandpa and I added up my weekly income and expenses:



NIKKI'S INCOME & EXPENSES			
INCOME		EXPENSES	
Allowance	\$ 7	Snacks	\$ 5
Babysitting	\$10	Video Games	\$ 8
	\$17	Viola String Fund	\$ 4
			\$17
Income (\$17) - Expenses (\$17) = Nothing left for the science fair!			



Grandpa said I could save up the money I need by increasing my income and cutting my expenses. Then I should write down my new plan—my **budget**—to make sure I stick to it.



WHAT'S THE Big Idea?

Income – Expenses = Savings.
Preparing and following a budget can help you increase your income, reduce your expenses, and end up with more savings.