

Name _____



GOAL SETTING
ACTIVITY SHEET 2

Start With a Goal

Time Horizons

Financial goals have different time horizons. Here are a few examples:

- Something you need immediately or within a couple years has a **short-term time horizon**.



- Something you save for over several years, such as a car, has a **medium-term time horizon**.



- Something you save for that will happen many years or decades in the future, like retirement, has a **long-term horizon**.



Because Nikki is a few months away from college graduation, she sat down and listed her goals. Determine whether each goal has a short-, medium-, or long-term time horizon.

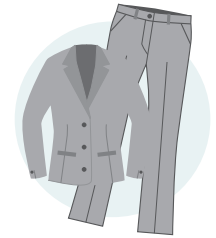
1. Replacing her college car with a newer model.



Time horizon _____

Explain your thinking:

2. Buying work clothes for her new job.



Time horizon _____

Explain your thinking:

3. Deciding on whether to make a donation to her local library.



Time horizon _____

Explain your thinking:

4. Retiring using her company's retirement savings program.



Time horizon _____

Explain your thinking:

Answer Key: (1) Medium term, 5–10 years. (2) Short term, 1–4 years or less. (3) Short term, 1–4 years or less. (4) Long term, 11–30+ years. To retire comfortably, you should begin saving as soon as possible to give your money time to grow.