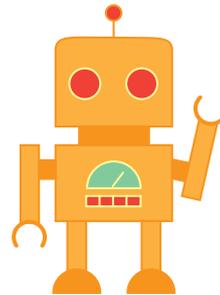


Goal Setting



Better Set a Budget

I'm so excited! The science competition is in 10 weeks' time and I've decided to design, build and programme a robot that can build other robots! How cool is that? I'll win first prize for sure! I shopped around and the parts will cost me \$140.



I went over to Grandad'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).

LESSON 1

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

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.



High School

High School,
Year 7

To check the 'Achievable' part of the SMART goals test, Grandad helped me figure out whether or not I could pay for the parts I'd need for my robot. Here's a list of my weekly **income, expenses** and **savings**:

- My **pocket money** is \$10.00 each week.
- I babysit little Matilda Moore two hours per week and am paid \$30.00.
- I buy a \$1.50 bag of chips each day at school.
- I spend \$12.00 per week playing video games.
- I give \$20.50 to Mum to pay her back for my new guitar strings.

Grandad and I added up my weekly income and expenses:



NIKKI'S INCOME & EXPENSES

INCOME		EXPENSES	
Pocket Money	\$10.00	Snacks	\$7.50
Babysitting	\$30.00	Video Games	\$12.00
	<u>\$40.00</u>	Guitar Strings Loan	<u>\$20.50</u>
			<u>\$40.00</u>

Income (\$40.00) - Expenses (\$40.00) =
Nothing left for the science competition!



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



WHAT'S THE Big Idea?

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