

Goal Setting



LESSON 2

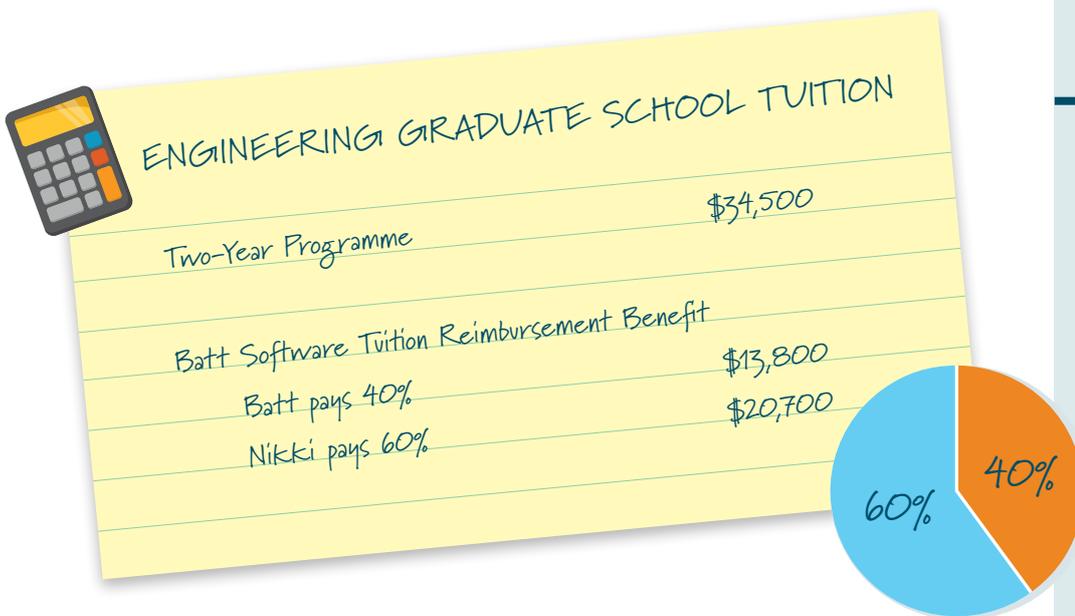
Goal Setting helps you envision why and what you are saving for and when you want to achieve it. Knowing how long you need to save for your financial goal is called a 'time horizon'.

Get the Big Picture

I just started my third year at university! The manager of my part-time job at Batt Software has offered me a full-time position after graduation, with an annual **salary** of \$60,000. But she also advised me to complete a master's degree in software engineering. She said that at Batt, engineers with **graduate degrees** typically make \$20,000 more each year.



Total tuition for the two-year programme is \$34,500—blimey! Batt Software employees have a tuition reimbursement benefit that covers 40% of tuition costs. I would have to pay 60% of the total tuition cost. That's \$20,700 (\$34,500 – 40% of \$34,500)! I would definitely need to add that to my higher education contribution scheme (HECS) **debt**.



University, Final Year



Master's Degree

I called my sister, April, and we figured out that I basically have three choices:

CHOICE 1



WORK

Work for Batt right away and skip doing my master's. I would make \$60,000 a year and save \$20,700 in HECS debt. But that might mean giving up a higher salary in the future.

CHOICE 2



SCHOOL

Go to university full time then work for Batt after I get my master's degree. I would finish the degree more quickly and not have to work and study at the same time. But I would be giving up two years of salary, and Batt wouldn't pay for any of my tuition.

CHOICE 3



WORK & SCHOOL

Work full time for Batt and go to university part time. I would have to add \$20,700 to my HECS debt but Mum said it would be a good **investment** in my future. The debt I incur for my education now will lead to financial gains later on. If my salary goes up by \$20,000 when I finish, I'll be able to pay off my HECS a lot quicker.

My decision: I'm going to work full time for Batt and go to university part time. I'll be very busy, but my plan gives me the possibility of a higher salary with the least amount of debt. Wish me luck!



WHAT'S THE Big Idea?

Investing in yourself by furthering your education might seem difficult, but it can pay off in the future. Be realistic about whether going into more debt for your education is a good idea based on the salary you are likely to earn after you graduate.