

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 'timeline.'



University,
Final Year



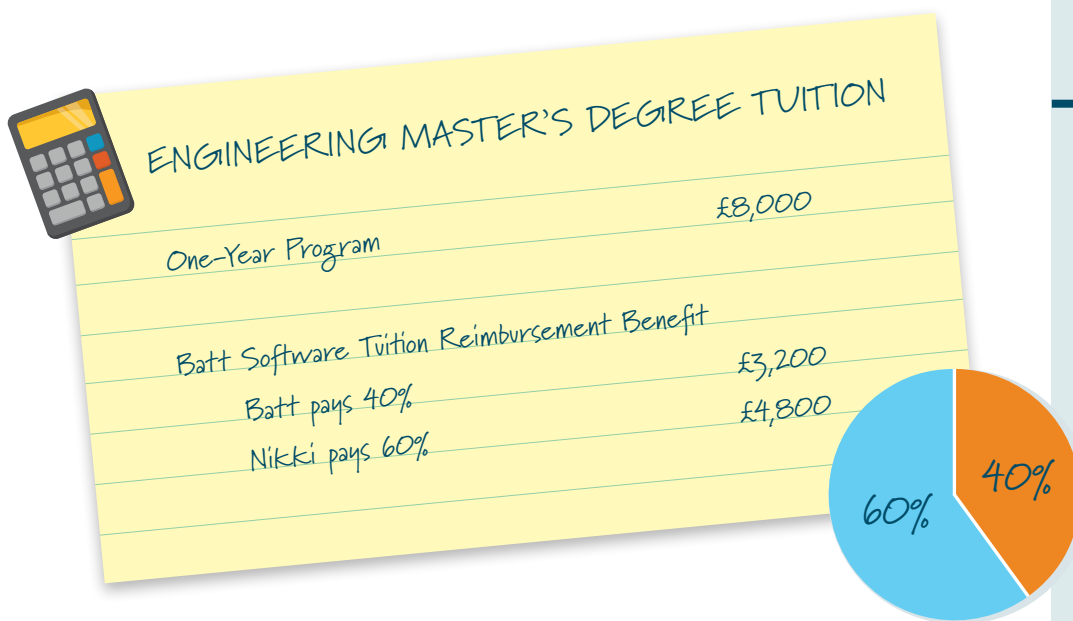
Master's
Degree

Get the Big Picture

I just started my last year of university! I'll have my bachelor's degree soon and be ready to work full time. The manager of my part-time job at Tech Solutions told me about an available full-time position at Batt Software for after I graduate, with an annual **salary** of £28,000. But she also advised me to study an additional year for a master's degree in software engineering. She said that at Batt Software, engineers with **master's degrees** typically make £5,000 more each year.



My living expenses for an extra year of university would be £8,000—wow! Batt Software employees have a tuition sponsorship programme that covers 40% of tuition fees. I would have to pay 60% of the total tuition fees. That's £4,800 (£8,000 – 40% of £8,000)! I would definitely need to take out a student loan.



I called my sister, April, and we worked out that I have two choices.

We figured out that I basically have two choices:

CHOICE 1



WORK

Work for Batt right away and don't do the master's degree. I would make £28,000 a year and save £8,000 in living expenses. 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 and earn a higher salary long term, but I would also be giving up one year of salary. I would also have to take out a maintenance loan to pay for my £8,000 in extra living expenses. Mum said the loan would be a good **investment** in my future. The money I put towards extra expenses now will lead to financial gains later. If my salary goes up by £5,000 when I finish, I'll definitely be able to pay off the maintenance loan.

My decision: I'm going to get my masters before I work full-time for Batt. I'll have to take out a maintenance loan, but my plan gives me the option of a higher salary and the ability to sustainably pay back my debt. Wish me luck!



WHAT'S THE **Big Plan?**

Investing in yourself by furthering your education might seem difficult, but it can pay off in the future. Be realistic about whether paying back a student loan will be achievable based on the salary you are likely to earn after you graduate.