

Making Finance Personal: Project-Based Learning for the Personal Finance Classroom

Project 2: Setting Financial Goals

Lesson Author

Julie Kornegay

Activity Description

Time-related goals can be sorted into three categories:

- **Short-term**—goals that can be achieved in less than one year
- **Intermediate-term**—goals that can be achieved within one to five years
- **Long-term**—goals that will take more than five years to achieve

Objectives

Setting goals helps students visualize the gap between where they are and where they want to be. In this assignment, students will:

- Identify the purpose of financial goals
- Explore the criteria of a well-written goal
- Formulate four financial goals
- Prioritize their goals

Essential Question

What do I want to accomplish financially?

Assignment Materials

Students should use the worksheet provided to identify their financial goals. They should also use any resource necessary to identify costs, timelines, or steps to achieve the goals identified.

Assignment Length

One week

Author's Notes

- I typically start this assignment the second week of class.
- Try to keep students focused on the financial aspect of their goals. I have students say that their goal is to make better grades. Although that is admirable, it isn't a financial goal.
- If the students have trouble coming up with four goals, encourage them to keep it simple. Saving money for Christmas presents, a new pair of jeans or shoes, a down payment for a car, their first semester of college, or saving money for their first apartment are good examples.
- Most students struggle with putting a dollar value on achieving their goals. This is a wonderful opportunity to discuss saving and budgeting.



- My favorite experience with this project was a dialog with a student about his goal of a spring break trip to Miami. The student’s goal was to save \$1,000 for one week in South Beach, with flight, cabs, and incidentals. We had a good time talking about how much a flight would be, how far the airport was from where he wanted to stay, and how expensive food was in that area. We turned it into an opportunity to discuss the research that’s needed prior to travel. Don’t take for granted that the students have done this before. The next week, the student came to class and had revised his goal to include a beach that was closer to home so he could drive with a group of his friends. I don’t want to squash students’ dreams, but it’s important to show them what it will take to get there.
- Prioritizing the goals is an important piece of this project. When students begin their budget, they will need to incorporate how much they will save to meet their financial goals. This can become tricky, and students need to be able to fall back on what they felt was most important when setting and prioritizing their goals.

Project 2 Assessment: Setting Financial Goals Rubric

This project has a total value of 20 points.

The student did not follow directions. (minus 2)	
The student created four financial goals that were thoughtful and well written. (plus 8)	
The student created four financial goals but they were not thoughtful or well written. (plus 4)	
The student identified how to achieve the goals. (plus 8)	
The student partially identified how to achieve the goals. (plus 4)	
The student did not provide information on how to achieve the goals. (no points)	
The student listed goals in order of importance. (plus 4)	
The student did not list goals in order of importance. (no points)	
The assignment was late. (loss of one point per day)	
Total	

Project 2 Overview: Setting Financial Goals

Handout 2A: What do I Want to Accomplish Financially?

Setting goals helps you visualize the gap between where you are and where you want to be. In this assignment, you will:

- Identify the purpose of financial goals
- Explore the criteria of a well-written goal
- Formulate four financial goals
- Prioritize your goals

Time-related goals can be sorted into three categories:

- **Short-term** – goals that can be achieved in less than one year
- **Intermediate-term** – goals that can be achieved within one to five years
- **Long-term** – goals that will take more than five years to achieve

If you establish unrealistic short-term goals, you face a high likelihood of failure. Instead, set financial targets that are almost too easy to meet.

Assignment Instructions

Use Student Handouts 2B – 2E to fine-tune your financial goals. For each goal, you'll follow these steps:

Step 1: What is your goal?

Step 2: What is the target date for reaching your goal?

Step 3: What is the estimated cost?

Step 4: Can you cut back on current spending to put toward your goal?

Step 5: Can you increase income to put money toward your goal?

Step 6: How much money will you need to save monthly?

Once your goals are clearly identified, you'll prioritize them (using Student Handout 2F). Give priority to paying off high-interest debt. Another way to determine the priority of your goals is to create a list of the benefits that will occur when you reach them. Having goals influences your decisions and helps you stay focused on what is most important to you.

Project 2 Activity: Setting Financial Goals

Handout 2B: Financial Goals Worksheet

Fill out steps one through six below for a short-term financial goal you have. Use the worksheet on the next page to complete step 3.

Remember that short-term financial goals can be completed in less than one year.

 Step 1	<ul style="list-style-type: none">• What is your goal? _____ _____
 Step 2	<ul style="list-style-type: none">• What is the target date for reaching your goal? _____
 Step 3	<ul style="list-style-type: none">• What is the estimated cost? _____
 Step 4	<ul style="list-style-type: none">• Can you cut back on current spending to put toward your goal? _____
 Step 5	<ul style="list-style-type: none">• Can you increase income to put money toward your goal? _____
 Step 6	<ul style="list-style-type: none">• How much money will you need to save monthly? _____

Project 2 Activity: Setting Financial Goals

Handout 2B: Financial Goals Worksheet (Continued)

To estimate the cost associated with reaching your goal, identify how much each component will cost and then the total amount needed (e.g., for a vacation goal, list the cost of travel, room, food, spending money, etc.).

Estimated Expenses	Cost
<p style="text-align: right;">Total amount needed:</p>	

Project 2 Activity: Setting Financial Goals

Handout 2C: Financial Goals Worksheet (Continued)

Fill out steps one through six for an **intermediate-term financial goal** you have. Use the worksheet on the next page to complete step 3.

Remember that intermediate-term financial goals can be completed in between **one and five years**.

 Step 1	<ul style="list-style-type: none">• What is your goal? _____ _____
 Step 2	<ul style="list-style-type: none">• What is the target date for reaching your goal? _____
 Step 3	<ul style="list-style-type: none">• What is the estimated cost? _____
 Step 4	<ul style="list-style-type: none">• Can you cut back on current spending to put toward your goal? _____
 Step 5	<ul style="list-style-type: none">• Can you increase income to put money toward your goal? _____
 Step 6	<ul style="list-style-type: none">• How much money will you need to save monthly? _____

Project 2 Activity: Setting Financial Goals

Handout 2C: Financial Goals Worksheet (Continued)

To estimate the cost associated with reaching your goal, identify how much each component will cost and then the total amount needed (e.g., for a vacation goal, list the cost of travel, room, food, spending money, etc.)

Estimated Expenses	Cost
Total amount needed:	

Project 2 Activity: Setting Financial Goals

Handout 2D: Financial Goals Worksheet (Continued)

Fill out steps one through six for a **long-term financial goal** you have. Use the worksheet on the next page to complete step 3.

Remember that long-term financial goals are projected to be completed in **five years** or more.

Step 1	• What is your goal? _____ _____
Step 2	• What is the target date for reaching your goal? _____
Step 3	• What is the estimated cost? _____
Step 4	• Can you cut back on current spending to put toward your goal? _____
Step 5	• Can you increase income to put money toward your goal? _____
Step 6	• How much money will you need to save monthly? _____

Project 2 Activity: Setting Financial Goals

Handout 2D: Financial Goals Worksheet (Continued)

To estimate the cost associated with reaching your goal, identify how much each component will cost and then the total amount needed (e.g., for a vacation goal, list the cost of travel, room, food, spending money, etc.)

Estimated Expenses	Cost
<p style="text-align: right;">Total amount needed:</p>	

Project 2 Activity: Setting Financial Goals

Handout 2E: Financial Goals Worksheet (Continued)

Fill out steps one through six below for another financial goal you have. Use the worksheet on the next page to complete step 3.

 Step 1	<ul style="list-style-type: none">• What is your goal? _____ _____
 Step 2	<ul style="list-style-type: none">• What is the target date for reaching your goal? _____
 Step 3	<ul style="list-style-type: none">• What is the estimated cost? _____
 Step 4	<ul style="list-style-type: none">• Can you cut back on current spending to put toward your goal? _____
 Step 5	<ul style="list-style-type: none">• Can you increase income to put money toward your goal? _____
 Step 6	<ul style="list-style-type: none">• How much money will you need to save monthly? _____

Project 2 Activity: Setting Financial Goals

Handout 2E: Financial Goals Worksheet (Continued)

To estimate the cost associated with reaching your goal, identify how much each component will cost and then the total amount needed (e.g., for a vacation goal, list the cost of travel, room, food, spending money, etc.)

Estimated Expenses	Cost
<p style="text-align: right;">Total amount needed:</p>	

Project 2 Activity: Setting Financial Goals

Handout 2F: Financial Goal Priorities Exercise

Think of the four financial goals you identified on the Financial Goals Worksheets (Student Handouts 2B – 2E). Which of these is the greatest priority for you to accomplish? List your four financial goals in order of importance below.

	Amount Needed	Date to Achieve Goal	Month to Save	Start Saving Date	Monthly Amount to Save
Goal 1					
Goal 2					
Goal 3					
Goal 4					

