



Financial Values, Attitudes and Goals

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The Importance of Setting Goals

Have you ever felt you are not getting what you really want out of life? Do you know what you really want out of life? Three groups of Harvard graduates were studied several years ago. Those who wrote down their goals were the most successful at reaching them. Those that “mentally” wrote down their goals were moderately successful. The individuals who did neither were the least successful. The key to success in achieving what you want out of life is understanding yourself and then carefully setting some goals — and writing them down.

Your Financial Values

Your goals are a reflection of your personal values. **Values** are relatively permanent personal beliefs about what you regard as important, worthy, desirable or right. Values tend to reflect your upbringing, and change very little without conscious effort over a lifetime. For example, some families and individuals hold their faith as a very high value, for others it may be education or a successful family business enterprise. It is important that we recognize our values and understand the values of other people with whom we closely interact.



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Financial Values Inventory

If you are not aware of you own money values, there is an activity on the back of this publication to start your thinking. Imagine you have just received \$100 you do not need for everyday expenses. Go through each pair of items, and circle the item on which you would prefer to spend the money. When you are finished, total the number of times each item was circled.

Financial Attitudes

Attitudes are a measure of your state of mind, your opinions and judgment about the world in which you live. They reflect a position you have taken with your values and are much more flexible than values. For example, one family may place a very high value on children and have a very positive attitude about raising them and providing opportunities for them. Both spouses may value higher education, yet one spouse may have a more positive attitude toward the University of North Dakota, and the other may have a more favorable attitude toward North Dakota State University.

Goal Setting

Dreams are the stuff of which life is made. We all have them. Yet many people wonder how they can ever realize their dreams, or give them up when they experience roadblocks, detours and curves on the way. It is often difficult to achieve a financial dream when there are many financial issues that seem to take priority.

Daily expenses, buying a car, paying off a mortgage or debt, saving for your own or a child or grandchild's education, saving for retirement, taking a family vacation, caring for aging parents — multiple and competing demands on our finances make achieving our dreams sometimes appear to be impossible.

How can you manage all these financial challenges and at the same time keep your dreams alive? How can dreams become reality?

Goal Setting Activity

This goal setting activity will allow you to write down your goals, perhaps for the very first time! To complete this activity, you will need 8-12 index cards.

Start by writing your dreams on these cards. Your dreams aren't just dreams anymore, they have now become your goals! Don't leave anything out — this is your "wish list." Make your dreams specific, put down a year and if there is a financial cost, estimate what that will be. Examples might be:

Retirement home in Arizona	2020	\$45,000
Graduate school	2010	\$20,000
Used pontoon and lift	2004	\$ 8,000
Trip to Australia for two	2007	\$ 5,000

Now sort your cards into two stacks: goals you want to accomplish in the next five years or less, and goals that will take longer than five years. You will see later why it is important to separate long- and short-term goals. The important thing is that you save for them differently. Now sort your cards in each stack in order of priority.

On the back of each card, write what you would need to do to make that dream a reality. Also write down money you have saved already for that goal (if any) and other expected sources of money that may help you achieve your goal.

For example, if one dream is a trip to Australia for two in five years at an approximate cost of \$5,000, you might write, "Save \$1,000 a year for five years." In this example, the couple has already saved \$1,000 for their Australian trip, and receive a \$300 check each year from their co-op, they may revise their goal to say "\$4,000 for a trip to Australia, need to save \$4,000 minus \$1,500 co-op distribution check, or \$2,500.

Now decide how much money you would need to save each month to achieve that goal, by first turning the number of years you have to reach your goal into months, and then dividing the dollar amount of your goal by that number.

In the Australian trip example, the couple would have five years or 60 months to achieve their goal of saving \$2,500. Sixty (months) goes into 2,500 (dollars) 41.66 times. That means this couple needs to save \$41.66 each month for five years to reach their goal. Doesn't \$41.66 a month sound a lot more manageable than the original goal of \$5,000?

Once you have determined the dollar amount per month, you may discover you do not have enough cash flow to reach all your goals. That is where your order of priority comes in. What are you willing to give up so that you will have the resources necessary to reach this goal? How hard are you willing to work and save to achieve a particular goal? Are you willing to take on a second job? How realistic is each goal when compared with others? You may need to reorganize your goals. Put those that are now unrealistic back on your wish list. If circumstances change, you may still be able to realize those dreams, too!

The dreaming and goal-setting process becomes a little more difficult when you are part of a family. Every one should have their own dreams and goals, but as members of a family, it is important to consider and respect each other's goals.

For those who are part of a family, you can repeat this goal-setting exercise with your children, partner or both. You may need to limit each person to two or three short-term and long-term goals. Once everyone has written up the financial aspects of their goals, the couple or family needs to look at competing goals and re-prioritize them as a family.

Final Thoughts

The value of setting and writing down goals cannot be overemphasized. There's one more thing to remember when setting your goals — be flexible. If you encounter barriers that seem like they might keep you from your goal, don't give up on your goals. Instead, modify them to meet your new situation. However, if a particular goal becomes something that is no longer important to you, then you should be open to letting it go. That will allow you to put your energy into pursuing goals that are important to you.

Your goals start as a dream, but with financial planning, determination and communication, you can make them a reality! And by understanding your financial attitudes and values, the better chance you will have to reach your goals. Your trip to financial security will be successful if you keep your destination in mind. Along the way, take time to truly enjoy the trip, by being able to identify and achieve those things you really want out of life.

\$ Financial Values Inventory

Your values are beliefs or ideas that you consider important or desirable. Everyone has values, but everyone does not value the same things equally.

To help you recognize some of your own money values, read the pairs of words below, then circle one item in **the pair** that would be your first choice in answering the question, “If you had an extra \$100, on which of the two items would you spend your money?” You must make one choice in each pair.

- | | |
|--------------------------------------|--------------------------------------|
| Housing (Dream Home/Vacation Home) | Hobbies/Sports |
| Retirement Savings/Investments | Church/Charitable Giving |
| Education: Self/Others | Vacation/Travel |
| Vacation/Travel | Personal Appearance/Grooming/Clothes |
| Retirement Savings/Investments | Church/Charitable Giving |
| Hobbies/Sports | Social Activities/Eating Out |
| Social Activities/Eating Out | Housing (Dream Home/Vacation Home) |
| Car | Retirement Savings/Investments |
| Education: Self/Others | Hobbies/Sports |
| Housing (Dream Home/Vacation Home) | Housing (Dream Home/Vacation Home) |
| Personal Appearance/Grooming/Clothes | Church/Charitable Giving |
| Car | Social Activities/Eating Out |
| Retirement Savings/Investments | Personal Appearance/Grooming/Clothes |
| Hobbies/Sports | Vacation/Travel |
| Hobbies/Sports | Retirement Savings/Investments |
| Car | Social Activities/Eating Out |
| Housing (Dream Home/Vacation Home) | Education: Self/Others |
| Vacation/Travel | Car |
| Vacation/Travel | Personal Appearance/Grooming/Clothes |
| Church/Charitable Giving | Education: Self/Others |

Now total the number of times you circled each item in the pair activity:

- Car _____
- Charitable Giving _____
- Education _____
- Hobbies/Sports _____
- Housing _____
- Personal Care _____
- Retirement _____
- Social _____
- Travel _____

Values, Attitudes and Goals

(Adapted from the High School Financial Planning Program (NEFE@), 1992.)

Now you can rank your values. Write down the values (car, retirement, charity, etc.) having the highest number of “votes.” This list reflects the items you consider most important in their order of importance. By knowing your values, you can make sure your goals and attitudes reflect your values. The closer they all match your spending plan, the easier it will be to reach your financial goals and financial security. Did you learn anything new about yourself in this activity?



Money Attitude Worksheet

This activity will only look at one of your attitudes — your attitude toward money. First, answer the 10 questions, circling yes or no, depending on how you feel about the statements.

Now count the number of yes answers to find out the degree to which money controls your life. Where do you think your attitude toward money came from? Are you like your parents? Your spouse? Or different?

Your financial values and attitudes affect the financial goals you set. The more harmonious your values, attitudes and goals, the greater the likelihood of attaining them.

WORKSHEET — What's Your Money Attitude

I need more money than I can ever use.	Yes	No
It bothers me when I discover I could have gotten the same thing for less somewhere else.	Yes	No
I behave as if money were the ultimate symbol of success.	Yes	No
I show signs of nervousness when I don't have enough money.	Yes	No
I dream I will one day be fabulously wealthy.	Yes	No
I find it difficult to part with money for any reason.	Yes	No
I worry that I will not have enough money to live comfortably when I retire.	Yes	No
Money controls the things I do or don't do in my life.	Yes	No
When I was a child, money seemed to be the most important thing in my life.	Yes	No
I argue or complain about the cost of things.	Yes	No

For more information on this and other topics, see: www.ag.ndsu.nodak.edu



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