

## **SMART Financial Goals**

### **Extension Activity for Conquer Cashalot, Managing Money & Understanding Credit or Spending Plans for High School Students Presentations**

#### Grade Level:

- Grade 10-11

#### Learning Objective:

This extension activity, along with the *Conquer Cashalot, Budgeting & Understanding Credit or Spending Plans for High School Students* presentations should help students:

- define financial goals and understand why setting financial goals is important
- define the characteristics of a SMART financial goal
- set a SMART financial goal for buying a vehicle

#### Materials Needed:

- whiteboard
- whiteboard marker
- *SMART Financial Goal Setting – My First Car* worksheet (1 per student)
- pencils (1 per student)

#### Lesson Plan:

Part I: define financial goals

1. Write the question what is a financial goal? on the whiteboard
2. Read the question aloud and allow students to share their responses. Write the correct responses on the whiteboard
3. Share with students the following information about financial goals:
  - financial goals are about money and what it costs to achieve your objectives
  - financial goals may involve spending, saving, or sharing money
4. Ask students why they think setting financial goals is important. Allow them to share their answers aloud. Answers can be written on the whiteboard
5. Share with students there are many reasons why people set financial goals including:
  - setting clearly defined goals acts as a road map towards achieving your objectives; by establishing goals you have something concrete you can work towards and are better able to organize your time and resources to achieve your goal
  - setting clearly defined goals can help raise your confidence because you can measure and take pride in the achievement of your goal

6. Explain to students financial goals may be short, medium or long term:  
short term goals: can be achieved in one year or less  
medium term goals: can be achieved between 1-3 years  
long term goals: can be achieved in 4 or more years

Part II: SMART financial goals

1. Write the acronym SMART on the whiteboard
2. Explain to students SMART is an acronym which describes the characteristics needed to achieve a goal. By setting SMART goals, there is a higher chance of achieving them
3. Review the characteristics of a SMART goal with students:  
**Specific**: the goal should be as clear as possible. The more detailed the goal, the better
  - what is my goal?
  - how will I achieve my goal?**Measurable**: the goal should be quantifiable. Goals in dollar terms are easily measurable and measuring progress can be very motivating
  - how much money do I need to save to reach my goal?
  - how much money do I need to save, each month, to reach my goal within the given time period?**Attainable**: the goal should align with your skills, priorities and value system
  - is this goal worth the time, effort and resources it will take to achieve?
  - why is this goal important to me?**Realistic**: determine if the goal is doable given your current circumstances
  - do I have the time, resources and skills to achieve this goal?
  - is this the right time in my life to be working towards this goal?**Timely**: decide when you would like to complete your goal; setting a deadline creates a greater sense of urgency
  - when do I want to achieve this goal?
4. Share with students they will be completing an activity on buying their first car. They will need to frame their goal to meet the SMART requirements
5. Distribute the *SMART Financial Goal Setting – My First Car* worksheet for students to complete
6. Time permitting, students can discuss their answers with the class

## *SMART Financial Goal Setting – My First Car*

**Instructions:** you want to buy your first car and want to use SMART goal setting. Fill in the information below to create a financial plan to achieve this goal

S is for **specific**:

what is the make, model and year of the car I want? How much does the car cost?

M is for **measurable**.

What is the total amount of money I need to save to buy this car? How much money will I need to save each month to buy this car? How much do I need to save for registration, maintenance / repair, fuel and insurance?

A is for **attainable**.

Is saving up to buy a car worth the time and effort?

R is for **realistic**.

Given the amount of money I earn and my other expenses, can I afford the car and additional costs?

T is for **timely**.

How long will it take me to save enough money to pay for this car? Explain your answer

Now, look again at your SMART plan. Are there any changes you need to make to be able to achieve the goal of buying your first car? If you do decide to make changes, what changes will you make and why?