

Setting a SMART savings goal

Setting financial goals can motivate you to save money. When these goals are SMART, you're more likely to achieve them.

Instructions

- 1 Review the elements of a SMART goal.
- 2 Write a short-term savings goal.
- 3 Add details to make it a SMART savings goal.
- 4 Create a savings target and determine how much you'll need to save each week.
- 5 Create an action plan to achieve your SMART goal.

What is a SMART goal?

SMART is an acronym that means: **S**pecific, **M**easurable, **A**ttainable, **R**elevant, and **T**imebound.

Imagine you've set a goal to save money. This goal is vague and there's no way to tell when success has been reached. But look what happens when you make the goal SMART:

SMART goal elements	Related questions	Example
S = Specific	What are you saving for?	Create an emergency fund
M = Measurable	How much do you want to save?	\$400
A = Attainable	Is this realistic? Is it doable?	Yes, if I earn more and spend less
R = Relevant	Is this worth saving for? Is this important to you?	Yes, to prepare for unexpected costs
T = Timebound	When will you meet the goal?	In 5 months (20 weeks)



Setting targets

Setting targets helps to make sure your SMART goal is attainable and timebound.

Example: <i>You want to save \$400, you'd like to take 20 weeks to do it, so you'll need to save \$20 each week.</i>	$\$400 \text{ (total amount)} \div 20 \text{ (weeks)}$ $= \$20/\text{week}$
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Making an action plan

Identifying specific action steps may help you meet your SMART goal targets.

Examples of ways you may save money include: Bringing snacks from home instead of purchasing them (\$5/week), or picking up two extra work hours (\$15/week).

Setting your own savings goals

Identify a short-term savings goal (something you'd like to save for this year).

Make your goal SMART

SMART goal elements	Related questions	Your SMART savings goal
S = Specific	What are you saving for?	
M = Measurable	How much do you want to save?	
A = Attainable	Is this realistic? Is it doable?	
R = Relevant	Is this worth saving for? Is this important to you?	
T = Timebound	When will you meet the goal?	

Create a savings target

Calculate how much you'll need to save each week to meet your savings goal.

If I want to save \$ _____ ÷ in _____ weeks = _____
(total savings goal) (number of weeks) (weekly savings target)

Rewrite your goal as a SMART goal

Using the above information, write out your SMART goal in a sentence or two.

Create an action plan

List at least three steps you can take to meet your weekly savings target. If appropriate, include how much you may save with each step.

Step	Your action steps	Projected weekly savings amount (\$)
1		
2		
3		
4		
5		
	Total savings (\$)	