

FS591 (Revised January 2021)



Financial Values, Attitudes and Goals

Revised by

Carrie Johnson, Personal and Family Finance Specialist, Associate Professor**Candace Kornelsen**, Graduate Student

The Importance of Setting Goals

Have you ever felt you are not getting what you want out of life? Do you know what you 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 who “mentally” wrote down their goals were moderately successful. The individuals who did neither were the least successful.

The key to success in achieving your dreams is understanding yourself and then carefully setting some goals — and writing them down.

Your Financial Values

Your goals reflect your personal values. Values are relatively permanent personal beliefs about what you regard as important or desirable. Values tend to reflect your upbringing and change very little throughout your lifetime without conscious effort.

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. Recognizing our own values and understanding the values of the people we are close to is important.

If you need help discovering your own money values, we included a Financial Values Inventory at the end of this publication to help you get started.

Financial Attitudes

Attitudes are a measure of your opinions and judgments about the world in which you live. They reflect a position you have taken with your values, but they are much more flexible than values.

For example, one family may place a very high value on children and providing them with many positive opportunities. Both parents may value higher education, yet one parent 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

Most people have financial dreams, yet many people find their dreams unattainable or give up on them when they experience roadblocks along the way. Achieving a financial dream often is difficult when you have many financial issues that seem to take priority.

Multiple and competing demands on our finances, such as daily expenses, buying a car, paying off a mortgage or debt, saving for your own or someone else’s education, saving for retirement, taking a family vacation or caring for aging parents, 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 and turn them into reality?

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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 eight to 12 index cards.

Start by writing your dreams on these index cards. Your dreams now have become your goals. Don't leave anything out; this is your "wish list." Make your dreams specific and put down a year. If a financial cost is involved, estimate what that will be. Examples might be:

Goal	Time Frame	Cost
Retirement home in Arizona	20 years	\$100,000
Graduate school	4 years	\$30,000
Used pontoon and lift	2 years	\$10,000
Trip to Australia for two	5 years	\$5,000

Now sort your cards into two stacks: goals you want to accomplish within the next five years and goals that will take longer than five years. 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 already have 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 "\$5,000 for a trip to Australia, need to save \$5,000 minus \$1,000 in savings and \$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. First turn the number of years you have to reach your goal into months, then divide 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) divided by 2,500 (dollars) equals 41.66. That means this couple need 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 still may be able to realize those dreams, too.

For those who are part of a family, you can repeat this goal-setting exercise with your children, partner or both. Considering and respecting each member of the family's goals is important.

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-prioritizing them as a family.

Final Thoughts

The value of setting and writing down goals cannot be overemphasized. One thing to keep in mind when setting your goal is to be flexible. If you encounter barriers that seem like they might keep you from your goal, don't give up. Instead, modify your goals 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 still important to you.

Your goals start as a dream, but with financial planning, determination and communication, you can make them a reality. If you understand your financial attitudes and values, you will have a better chance at reaching your goals.



Financial Values Inventory

Your values are beliefs or ideas that you consider important or desirable. Everyone has values, but not everyone values the same things equally. To help you recognize some of your own money values, complete the activity below.

Imagine you have just received \$250 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. You must make one choice in each pair. When you are finished, total the number of times each item was circled.

- | | |
|--------------------------------------|--------------------------------------|
| Hobbies/Sports | Housing (dream home/vacation home) |
| Church/Charitable giving | Retirement savings/Investments |
| Vacation/Travel | Education: Self/Others |
| Personal appearance/Grooming/Clothes | Vacation/Travel |
| Church/Charitable giving | Retirement savings/Investments |
| Social activities/Eating out | Hobbies/Sports |
| Housing (dream home/vacation home) | Social activities/Eating out |
| Retirement savings/Investments | Car |
| Hobbies/Sports | Education: Self/Others |
| Housing (dream home/vacation home) | Housing (dream home/vacation home) |
| Church/Charitable giving | Personal appearance/Grooming/Clothes |
| Social activities/Eating out | Car |
| Personal appearance/Grooming/Clothes | Retirement savings/Investments |
| Vacation/Travel | Hobbies/Sports |
| Retirement savings/Investments | Hobbies/Sports |
| Social activities/Eating out | Car |
| Education: Self/Others | Housing (dream home/vacation home) |
| Car | Vacation/Travel |
| Personal appearance/Grooming/Clothes | Vacation/Travel |
| Education: Self/Others | Church/Charitable giving |

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 that had the highest number of votes. This list reflects the items you consider most important. 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 reaching your financial goals will be.



Money Attitude Worksheet

This activity will 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 your current attitude toward money. Where do you think your attitude toward money came from? Are you like your parents? Your spouse? Or someone else?

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

- | | | |
|--|-----|----|
| 1. I need more money than I can ever use. | Yes | No |
| 2. It bothers me when I discover I could have gotten the same thing for less somewhere else. | Yes | No |
| 3. I behave as if money were the ultimate symbol of success. | Yes | No |
| 4. I show signs of nervousness when I don't have enough money. | Yes | No |
| 5. I dream I will one day be fabulously wealthy. | Yes | No |
| 6. I find parting with money difficult for any reason. | Yes | No |
| 7. I worry that I will not have enough money to live comfortably when I retire. | Yes | No |
| 8. Money controls the things I do or don't do in my life. | Yes | No |
| 9. When I was a child, money seemed to be the most important thing in my life. | Yes | No |
| 10. I argue or complain about the cost of things. | Yes | No |

This publication was authored by Debra Pankow, former family economic specialist, NDSU, 2003.

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