Financial success is achieving your family's financial goals. The seven steps to setting financial goals are no secret. We do it all the time on our jobs, when we set sales or production goals, cost reductions or specific project achievements.

Your Financial Bucket List

"The Bucket List" is an outstanding movie starring Morgan Freeman and Jack Nicholson. It is a story of two terminally ill cancer patients who decide to "go out in style" by completing a "bucket list" of things before they die such as sky diving, driving a race car, visiting exotic places, etc. As the adventure unfolds and their lives wind down, they discover that the best time of their life is right now and when they are sharing it with the people they love.

What is "your financial bucket list? What are the things that you and your family want to

accomplish financially? Whether you accomplish your financial goals depends on the steps you take right now. Procrastination, not planning, and making inappropriate financial choices are the three biggest roadblocks to financial success.

Financial success is achieving your family's financial goals. The seven steps to setting financial goals are no secret. We do it all the time on our jobs, when we set sales or production goals, cost reductions or specific project achievements. The trick is to apply the same techniques to your finances, with the same rigor and personal management. You can chart your financial course just as well as anyone. You just have to invest the time.

Seven Steps to Setting Financial Goals

Step 1 - Sit down with a clean sheet of paper and brainstorm the question, "What do I really want out of life?" Write down every possible financial goal that comes to mind including a house, early retirement, debt payoff, children's education, new car, overseas vacation, etc. Dream and write them all down.

Step 2 - Discuss the list with your family or people who are significant in your life. With their input, expand and modify the list. In working with clients, I find that many times they have not discussed their family's financial goals and agreed on the priority.

Step 3 - Now go over your list a second time. This time, refine and prioritize the list, adding an element of realism to it. Write down the items that are most important on a sheet of paper called **"Key Financial Goals."** Cross off the items you really don't want or need. Move anything you might have mixed emotions to a separate sheet called
"Future Goals."
After you have achieved some of your key goals, you may want to include some items from this list.

Step 4 - Expand each of your key goals, estimating the cost (in today's dollars) and when you

will achieve the goal. It is very important that you are specific in each of these areas. For example: develop a college fund for my son that will pay 50 percent of his college expenses at a public university or $30,000, in today's dollars, is needed by 2021.

Step 5 - Separate your Key Goals into short-term, intermediate and long-term objectives. Short-term goals can be achieved in less than one year and might include, establishment of an emergency fund, this years vacation, or minor home improvements. Intermediate goals of one to five years might include, paying off credit card debt, saving for a house down payment or making major home improvements. Long-term objectives of more than five years might include, college funding, retirement or a vacation home purchase.

Step 6 - Develop a plan for achieving each **Key Goal**, breaking down large goals into their main elements. Using the college fund example: research public college costs, open a 529 college savings account; invest $328 per month using automatic withdrawal from my checking account, and research investments that could provide a higher return. (Assumes college cost inflation of 6 percent and a rate of return on the invested funds of 6 percent. Total sum needed in 2021 is $53,725)

Step 7 - Review your progress, by reviewing your financial goals at least annually and revising your plan as necessary.

Your Financial Bucket List

Start creating your "financial bucket list" today. Life is a journey and not a destination. Creating, executing and adapting your financial plan to changing circumstances in your life are the journey. Start right now, because tomorrow is not promised to any of us.

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