



## Seven Simple Savings Steps to Dream-Fulfillment and Goal-Attainment

Why do we spend a large portion of our lives working, anyway? What's the point of punching the clock week after week, year after year?

The obvious answer is that people work to earn the money they need to support themselves and their families. But they also work to gain the financial means to reach their goals and realize their dreams.

Whether it's buying a home, funding a college education, traveling, living comfortably throughout retirement or something else worth striving for, goals not only help define a person, they guide and motivate us. And however ambitious or modest, however close at hand or far into the future, a goal may be, attaining it requires a clear idea of how you're going to accumulate enough money to get where you want to go — in short, a savings strategy.

You have things in life you want to do. What's the best way to go about saving enough money to do them? Start with the following suggestions from the Financial Planning Association, the nation's largest organization of personal finance experts. Then, with the help of a financial adviser (find one in your area via FPA's national database at: [www.FPAnet.org/PlannerSearch/PlannerSearch.aspx](http://www.FPAnet.org/PlannerSearch/PlannerSearch.aspx)), draw up your roadmap for dream-fulfillment and goal-attainment, and don't look back!

**STEP 1: Define your goals.** What are the highest priorities on your life to-do list? Saving enough for retirement? Buying a first or second home? With input from spouse/partner, family members, financial adviser and the like, decide which goal(s) you want to tackle first, then put them in writing. "Start with what's most pressing, and focus on that, but don't neglect your other goals," suggests Rick Kagawa, CFP®, of Capital Resources & Insurance in Huntington Beach, Calif.

**STEP 2: Set yourself up to succeed by setting goals that are ambitious but attainable.** Setting goals too high — "I want to make \$5 million and retire by the time I'm 40." — sets a person up for frustration and failure. On the other hand, setting a reasonable goal, then achieving it, provides the momentum and inspiration to commit to saving for other goals, according to Kagawa. He recommends people be S-M-A-R-T about goal-setting: **Specific; Measurable; Attainable; Realistic; and, Timely.**

**STEP 3: Figure out the financial commitment required to fulfill your goals.** How much do you need to set aside to purchase a new home, or fund a college education, for example?

**STEP 4: Make a plan for setting aside a certain amount of money each month to reach a goal.** "Even if it's a small amount each month, it's important to get in the habit of saving," asserts Kagawa. Keep the money in an account where you're less likely to be tempted to touch it until the time is right. Set up an automatic deposit to help you stick to the savings commitment. Look for a higher-interest savings account so you earn a little extra money in interest ([www.bankrate.com](http://www.bankrate.com) is a good starting point for comparing savings account interest rates).



**STEP 5: Build a savings plan that's flexible enough to stick to when circumstances change.** Because your financial situation is bound to change (due to having kids, job status, etc.), revisit your savings goals and adjust as necessary, consulting with a financial planner to help with those adjustments.

**STEP 6: Keep your goals in front of you.** It's easy to lose sight of goals amid life's day-to-day demands. Make a point of periodically re-reading the goals you put in writing to remind yourself what you're saving for and why.

**STEP 7: Don't give up if you get off track.** Instead, revisit your goals and adjust them so you can continue saving. "It's important to try to get back on track," said Kagawa, "even if it means modifying your goals."

*July 2013 — This column is provided by the Financial Planning Association® (FPA®) of Hawaii, the leadership and advocacy organization connecting those who provide, support and benefit from professional financial planning. FPA is the community that fosters the value of financial planning and advances the financial planning profession and its members demonstrate and support a professional commitment to education and a client-centered financial planning process.*

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