

Set Spending Priorities

My Top Money Goals

Hopefully those questions have you focusing your attention on just a few goals. Now it's time to write 'em down.

1. In the "Funding My Goals" table below, name your top five dreams that demand capital.
2. Take some time to ballpark how much you need to save to achieve each goal and write it down in the "Total cost" column.
3. Once you have a general figure, break that amount into monthly (or even per-paycheck) figures.
4. Factor in any cash you've already saved toward each goal. So maybe you need to save \$100 a month toward the vacation, \$300 toward a house, and \$200 toward retirement. Of course, no one can predict the future -- if you get a raise, bonus, or win the million bucks on *Survivor XVII*, you'll want to reexamine your savings plan.

Guess what? You have a spending plan!

Funding My Goals

FUNDING MY GOALS				
Goal	Date to achieve it by	Total cost	Amount (if any) already saved	Cost per month (total cost - amount saved /12)
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$

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Financial reality bites

Hmm ... all that saving can really add up. What if you don't have enough money to fund each of your goals? You have three options:

1. You can reduce their total cost. That might mean axing a goal or two from your list or scaling back on some of your goals (a week in the Caribbean instead of buying your own island).
2. You can extend the length of time before you expect to achieve a goal. That means adjusting the per-paycheck or per-month savings requirement to meet your goal.
3. Finally, you can increase the amount you save. How? Remember the monthly spending tally you carefully crafted in Step 1? Go through that and see where you might be able to cut back. While that might not sound like much fun, remember that every time you spend money, you are prolonging -- and perhaps undermining -- your ability to buy that new car, fund your children's education, or build that treehouse with the hot tub.

Everyday Savings Tactics

Every time you open your wallet, think of your financial goals. How much closer will what you're about to buy bring you to achieving your dreams?

Here are four other ways to stick to your spending plan:

1. Set up (many) automatic deductions from your paycheck -- to your 401(k), a government savings bond program, a brokerage account.
2. Start tracking your expenses, even if only for one month. You'll probably end up curtailing them just to save yourself the bookkeeping.
3. Specifically budget "play money" and create an envelope with that play money in cash. Give yourself permission to freely spend that money -- you'll feel rich! You'll likely spend less than if you had no budget. Remember, when the envelope is empty, you have to stay home.
4. Leave your credit card and checkbook at home when you go out. Make cash your king. When you have to pull out actual dollar bills, you may find that you're more reluctant to part with them.