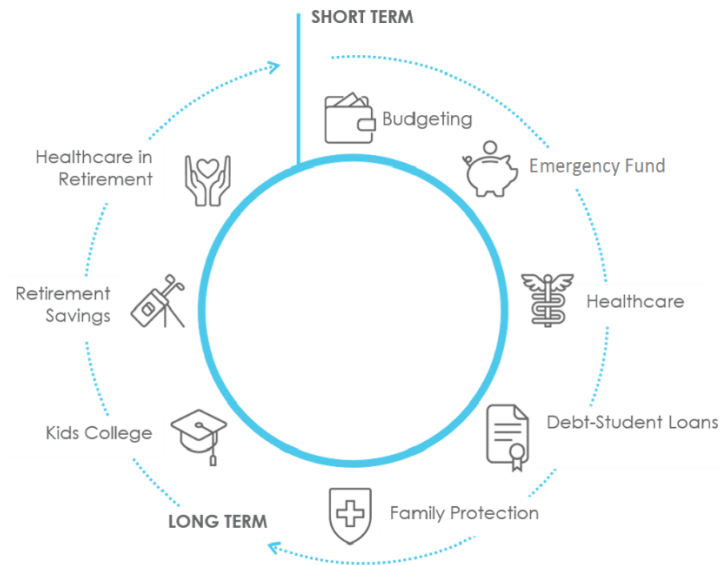


FUTURE FINANCES

set and reach your goals



Setting short-term, mid-term, and long-term financial goals is important to your financial wellness journey. Goals, in general, benefit your life by creating focus, motivation, and confidence. But, when you include defined financial objectives in your plan, you set yourself up for stability and security as well as successful outcomes that benefit, not only your financial situation but other areas of your life.



Short-term goals can be accomplished within a year. They tend to be easier to plan and focus on current issues in your life. Some examples are cutting monthly spending, establishing an emergency fund, paying off smaller debts, and saving for a vacation or home improvement project.

Mid-term goals are a gray area since they may overlap with certain short- or long-term goals. They generally take 1 to 5 years to achieve. Perhaps it's saving for a car or a down payment on a home, or paying off larger debts.

Long-term goals typically take 5 years or more to accomplish and require more time and planning. Perhaps you'd like to have a retirement fund, save for your child's tuition, or pay off your mortgage. They tend to focus on major life events and may require re-evaluation as circumstances develop and change over time.

In addition to the timeline, financial goals can also be categorized as number-based or habit-based.

NUMBER-BASED GOALS

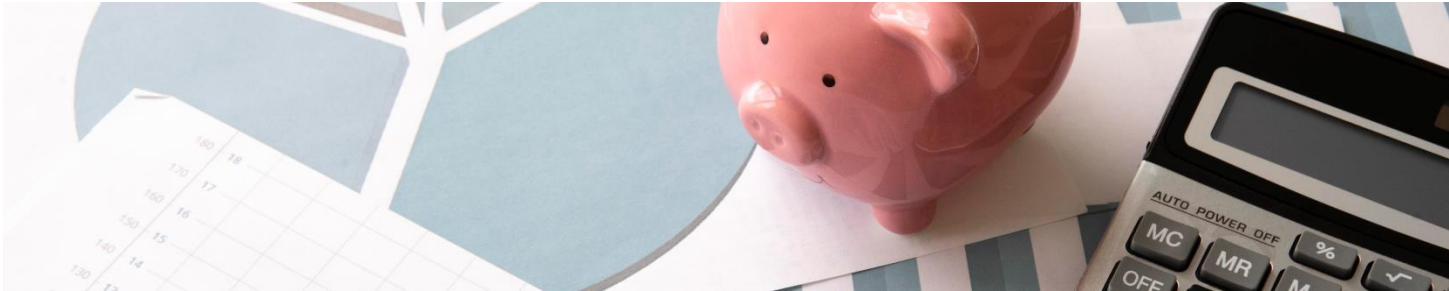
Naturally, financial goals will have numbers associated with them. A number-based goal has a specific amount associated with it, so you know exactly how much money is required to achieve it. Here are some examples:

- 💰 Create an emergency fund with \$5,000.
- 💰 Pay off your mortgage before you retire.
- 💰 Maximize your RRSP contributions this year.
- 💰 Save \$10,000 for a 10-year anniversary vacation.
- 💰 Decrease your monthly grocery bill by \$100.
- 💰 Find a way to make an extra \$150/month.

HABIT-BASED GOALS

Habit-based goals have to do with behaviours - how you interact with money. While they tend to support number-based goals, they are valuable in their own right because they help you create a healthy relationship with your finances. Some examples include:

- 💰 Pay off your credit card entirely each month.
- 💰 Pay for all vacations in cash.
- 💰 Start donating to a cause that's important to you.
- 💰 Automate your bill payments so they are paid on time.
- 💰 Create weekly grocery lists and stick to them.



Sources: blog.massmutual.com/post/wellness-wheel-financial-security | www.frugalconfessions.com/money-goals/types-of-financial-goals | Images by Freepik