



# Financial Goal Setting Challenge

Assess your financial situation, create action plans,  
and work towards achieving your personalized financial goals

## CHALLENGE DESCRIPTION:

Setting specific financial goals is essential for creating a roadmap to financial security and achieving your life aspirations. The Financial Goal Setting Challenge helps you define short-term, medium-term, and long-term goals, providing a clear plan to work towards. This challenge empowers you to assess your current financial situation, develop actionable strategies, and track your progress, ensuring you stay on course to reach your financial objectives.

## WHAT IS A FINANCIAL GOAL?

A **financial goal** is a specific target you aim to achieve with your finances within a set timeframe. It can range from paying off debt and saving for a purchase to building an investment portfolio for retirement. Financial goals provide direction and motivation, helping you prioritize your financial activities and make informed decisions. They are the building blocks of a sound financial plan, guiding your spending, saving, and investing choices.

This challenge supports various financial objectives, such as:

- **Clarity and Focus:** Helps you concentrate on specific financial outcomes, improving decision-making.
- **Motivation and Accountability:** Breaks down goals into steps, maintaining motivation and celebrating progress.
- **Better Financial Management:** Encourages better budgeting, spending control, and savings habits.
- **Debt Management:** Prioritizes debt reduction, aiding in systematic debt elimination.
- **Preparation for Future Needs:** Ensures readiness for major life events by planning for medium and long-term goals.
- **Resilience to Challenges:** Equips you to handle financial obstacles and stay committed to your goals.

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## THE CHALLENGE

This challenge is designed to help you define and plan for your financial future by identifying short-term, medium-term, and long-term goals. Whether you're saving for a vacation, a down payment on a house, retirement, or education, setting clear and achievable financial goals is the first step toward financial security and prosperity.

Throughout this challenge, you'll learn how to assess your current financial situation, set realistic goals, develop actionable plans, and monitor your progress. This challenge is structured into several sections, each focusing on different types of financial goals and providing practical activities to help you on your journey.

Let's get started!

### 1. Understanding Financial Goals

#### Objective

To understand the importance of financial goals and the differences between short-term, medium-term, and long-term goals. Financial goals are specific, measurable milestones you aim to achieve within a particular timeframe. They provide direction and purpose to your financial decisions, helping you prioritize spending and savings. There are three main types of financial goals:

1. **Short-term Goals:** These are typically achievable within a year. Examples include saving for a vacation, buying a new gadget, or paying off a small debt.
2. **Medium-Term Goals:** Goals that can be achieved within one to five years. Examples include saving for a car, a wedding, or an emergency fund.
3. **Long-Term Goals:** These goals often take more than five years to achieve. Examples include saving for retirement, purchasing a home, or funding a child's education.

#### Activity

Create a vision board or a list of personal and financial aspirations. Use images, words, and phrases to represent your dreams and goals. This visual representation will serve as a motivational tool throughout the challenge.

#### Example

Lisa dreams of travelling to Europe, buying her first home, and retiring comfortably. Her short-term goal is to save \$3,000 for a European vacation in the next 12 months. Her medium-term goal is to save \$20,000 for a down payment on a home in five years. Her long-term goal is to accumulate \$500,000 in retirement savings over the next 30 years.

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## 2. Assessing Your Current Financial Situation

### Objective

To evaluate your current financial status, including income, expenses, savings, and debt. Before setting financial goals, it's essential to understand your starting point. This involves assessing your income, expenses, savings, investments, and debts. This assessment will provide a clear picture of your financial health and help you set realistic goals.

### Activity

1. **Income Assessment:** List all sources of income, including your salary, side jobs, rental income, and any other earnings.
2. **Expense Tracking:** Categorize and list all your monthly expenses, distinguishing between fixed and variable costs.
3. **Net Worth Calculation:** Subtract your total liabilities from your total assets to calculate your net worth.

### Example

John earns \$60,000 annually from his full-time job and an additional \$5,000 from freelance work. His monthly expenses include \$1,200 for rent, \$300 for groceries, \$150 for transportation, and \$200 for entertainment. He has \$10,000 in savings and \$5,000 in investments but also has \$8,000 in student loans and \$2,000 in credit card debt. John's net worth is \$5,000.

## 3. Setting Short-Term Financial Goals

### Objective

To evaluate your current financial status, including income, expenses, savings, and debt. Short-term goals are immediate financial objectives that can be achieved within a year. They are typically easier to plan for and accomplish, providing quick wins that can boost motivation for more significant, long-term goals.

### Activity

1. **Goal Identification:** List three short-term financial goals you want to achieve in the next year.
2. **Specificity and Measurability:** Make each goal specific and measurable. For example, instead of saying "save money," specify "save \$1,000 for a vacation."
3. **Action Plan:** Outline the steps needed to achieve each goal, including monthly savings targets and any adjustments to your budget.

### Example

Amy wants to pay off her \$1,500 credit card debt, save \$500 for an emergency fund, and set aside \$300 for a new smartphone. To achieve these goals, she plans to cut down on dining out, set a monthly budget, and allocate specific amounts from each paycheck toward these goals.

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## 4. Setting Medium-Term Financial Goals

### Objective

To define and plan for financial goals that can be achieved within one to five years. Medium-term goals often require more planning and discipline than short-term goals. They are essential for preparing for significant life events and financial milestones, such as buying a car, starting a business, or building a substantial emergency fund.

### Activity

1. **Goal Identification:** List three medium-term financial goals you want to achieve within the next five years.
2. **Budget Adjustments:** Analyze your current budget and identify areas where you can allocate more funds towards these goals.
3. **Savings and Investment Strategy:** Decide whether to use high-interest savings accounts, investments, or a combination of both to achieve these goals.

### Example

Tom and Jane plan to save \$10,000 for a new car, \$15,000 for their wedding, and \$5,000 for a home renovation in the next three years. They decide to reduce their monthly entertainment budget and invest in a high-interest savings account to grow their funds faster.

## 5. Setting Long-Term Financial Goals

### Objective

To define and plan for financial goals that will take more than five years to achieve. Long-term goals require careful planning, patience, and often involve significant financial commitments. They typically focus on major life events and ensuring financial security in the future.

### Activity

1. **Goal Identification:** List three long-term financial goals, such as retirement, purchasing a home, or funding a child's education.
2. **Retirement Planning:** Use retirement calculators to estimate how much you need to save for a comfortable retirement. Consider factors like inflation, life expectancy, and desired lifestyle.
3. **Investment Strategy:** Develop a diversified investment strategy to grow your wealth over time. Consider consulting a financial advisor for personalized advice.

### Example

Mike wants to retire at 65 with \$1,000,000 in savings, buy a house worth \$300,000, and set aside \$50,000 for his child's education. He plans to contribute to his RRSP and TFSA regularly and invest in a mix of stocks, bonds, and mutual funds to achieve these goals.

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## 6. Creating an Action Plan for Each Goal

### Objective

To develop a detailed plan of action for achieving each financial goal. Once you've identified your financial goals, the next step is to create a detailed action plan. This plan should outline the specific steps you need to take, timelines, and any resources or tools you'll use.

### Activity

1. **Goal Breakdown:** Break down each goal into smaller, actionable steps. For example, if your goal is to save \$5,000 for an emergency fund, determine how much you need to save each month.
2. **Timeline and Milestones:** Set a timeline for each goal and establish milestones to track your progress. Celebrate when you reach these milestones to stay motivated.
3. **Budget Integration:** Integrate your action plans into your monthly budget. Ensure that your budget reflects your priorities and provides enough room to meet your goals.

### Example

For Sarah's goal of saving \$500 for an emergency fund, she decides to set aside \$50 from each paycheck over the next 10 months. She marks the halfway point as a milestone and plans to treat herself to a small reward once she reaches it.

## 7. Tracking Progress and Adjusting Goals

### Objective

To monitor progress toward financial goals and adjust as needed. Consistently tracking your progress is crucial to ensure you stay on track with your financial goals. It also allows you to make necessary adjustments if circumstances change.

### Activity

1. **Progress Tracking:** Use a spreadsheet, budgeting app, or journal to track your progress. Update it regularly with your savings and investment balances.
2. **Review and Reflect:** Periodically review your progress and reflect on what's working and what isn't. Are you meeting your savings targets? Are your investments performing as expected?
3. **Adjustments:** If you're not on track, consider adjusting your goals, timelines, or strategies. For example, if your expenses have increased, you might need to revise your budget or extend the timeframe for a specific goal.

### Example

Tom and Jane review their savings plan every three months. They realize that unexpected medical expenses have slowed their progress toward their wedding fund. They decide to cut back on non-essential spending and temporarily pause their home renovation savings.

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## 8. Overcoming Obstacles and Staying Motivated

### Objective

To develop strategies for overcoming challenges and maintaining motivation. Financial goals often come with challenges and setbacks. It's important to anticipate these obstacles and develop strategies to stay motivated. Understanding potential hurdles and having a plan to address them can prevent discouragement and help you remain committed to your goals.

### Activity

1. **Identify Potential Obstacles:** Consider what might hinder your progress. Common obstacles include unexpected expenses, fluctuating income, or loss of motivation. Write down these potential challenges and think about how you might address them.
2. **Develop Coping Strategies:** For each identified obstacle, create a strategy to overcome it. For example, if you struggle with impulsive spending, you might set a waiting period before making non-essential purchases.
3. **Build a Support System:** Share your financial goals with trusted friends or family members who can provide support and encouragement. Consider joining a financial group or community for additional motivation and accountability.
4. **Celebrate Small Wins:** Recognize and celebrate your progress, even the small victories. This could be as simple as treating yourself to a nice meal or enjoying a guilt-free break when you reach a savings milestone.

### Example

Mike struggles with motivation when saving for his long-term goals. He decides to implement a strategy of rewarding himself with a small treat every time he saves an additional \$1,000. He also sets up regular check-ins with a friend to discuss his progress and challenges, providing a sense of accountability.

## 9. Celebrating Achievements and Reflecting on Progress

### Objective

To acknowledge accomplishments, reflect on what you've learned, and plan for future goals. Reaching financial goals is an achievement worth celebrating. It's also an opportunity to reflect on the journey, assess what worked well, and consider what could be improved. This reflection helps reinforce positive habits and prepares you for future financial planning.

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## Activity

1. **Celebrate Milestones:** As you reach your goals or significant milestones, take time to celebrate. This could be through a small personal reward or sharing your achievement with others.
2. **Reflect on the Process:** Reflect on what you've learned about managing your finances and achieving goals. What strategies were most effective? What challenges did you overcome? Write down these reflections for future reference.
3. **Reassess and Set New Goals:** After achieving your initial goals, reassess your financial situation and set new goals. This ongoing process ensures continuous growth and adaptation to changing circumstances.

## Example

Sarah successfully saved \$500 for her emergency fund and paid off her credit card debt. She rewards herself with a weekend getaway and reflects on her budgeting journey. Sarah realizes that automated savings transfers were particularly helpful, so she decides to set up similar transfers for her new goal of saving for a home down payment.

## 10. Final Thoughts and Next Steps

### Objective

To consolidate your financial planning efforts and outline the next steps for continued success. Setting and achieving financial goals is an ongoing process. As you complete this challenge, it's important to maintain momentum and continue building on your successes. Regularly revisiting and adjusting your goals ensures that your financial plan evolves with your life circumstances.

### Activity

1. **Consolidate Your Achievements:** Compile a summary of the goals you've set and achieved during this challenge. Include the strategies that worked best for you and any lessons learned.
2. **Create a Long-Term Financial Plan:** Based on your reflections, draft a long-term financial plan. This plan should include a continued focus on savings, investments, debt management, and any new financial goals.
3. **Continuous Education:** Commit to ongoing financial education. Stay informed about financial products, investment opportunities, and personal finance strategies. This could involve reading books, attending workshops, or following reputable financial blogs and podcasts.
4. **Seek Professional Advice:** If your financial situation becomes complex or you need personalized advice, consider consulting a financial advisor. They can provide tailored guidance to help you navigate specific financial decisions.

### Example

After achieving his initial goals, John sets new objectives, including saving for a child's education and increasing his retirement contributions. He schedules regular financial reviews and continues to educate himself on investment options. John also plans to meet with a financial advisor annually to ensure his plan remains aligned with his long-term aspirations.

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## CHALLENGE COMPLETE!

Congratulations on completing the Financial Goal Setting Challenge! By defining and planning for specific financial goals, you have taken crucial steps toward securing your financial future. Remember, the key to ongoing success is regular review, adaptation, and maintaining a disciplined approach to managing your finances.

As you move forward, continue to set new goals, refine your strategies, and celebrate your progress. Financial planning is a lifelong journey, and staying engaged with your finances will empower you to achieve your dreams and maintain financial stability. Thank you for participating in this challenge, and best of luck on your financial journey!

**Disclaimer:** *The information provided is for informational and educational purposes only and does not constitute financial advice. The suggestions are general guidelines and may not be suitable for individual financial situations. Before making any financial decisions, it is advisable to consult with a financial advisor. Teladoc Health is not responsible for any financial decisions made as a result of this information.*





# Congratulations on completing the Financial Goal Setting Challenge

The journey of wellness is ongoing, and each step, no matter how small, is a victory to be celebrated. Keep pushing forward, embracing each day as an opportunity to live your best life.

