

Memo on SMARTER Goals

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The classic **SMART goal setting technique** contains five criteria that a goal should fulfill:

- **Specific**

The goal should clearly state what exactly needs to be accomplished.

For example: put aside \$5,000 for a financial safety cushion.

- **Measurable**

The goal should be quantifiable so that progress can be made and the exact date when it will be achieved can be determined.

For example: save \$417 each month to accumulate \$5,000 in a year.

- **Achievable**

The goal must be realistic and sensible. This is where breaking down a large, overly complex goal into smaller, short-term achievable goals can help.

For example: cut out unnecessary subscriptions and save \$50 per month for the next 6 months.

- **Relevant**

The goal should be important, meaningful and in line with the overall direction of your development. At this stage, you can identify primary and secondary goals.

For example: take a financial literacy course to improve your money management skills and build long-term financial plans.

- **Time-bound**

The goal has a set time limit. That is, the results are assessed at the end of a set period of time. Financial goals can be monthly, quarterly, or annual.

For example: save \$417 each month for 12 months to accumulate \$5,000.

In the end, your goal might sound like this: "I will accumulate \$5,000 in an emergency fund within 12 months, setting aside \$417 each month to ensure financial security".

SMARTER technique is an expanded version of the SMART concept, adding two additional features:

- **Evaluation**

Goals should be reviewed regularly and adjusted as necessary to take changes that have occurred since the goal was set into account, such as financial changes.

- **Reward**

As you move toward your goal, you should regularly note your progress and reward yourself – at least symbolically – for each step along the way so you don't lose motivation.