



SPECIAL REPORT

Goal Setting: Create your plan for Economic Freedom

What is your economic freedom? What is your plan?

This report has the potential to change your life by moving you closer to your definition of economic freedom.

Its purpose is to help you ask the questions that only you can answer. And by answering the key questions, you can help quantify your financial goals.

This report isn't meant to be just read. Rather, it's meant to be done... by you. In fact, you will be writing down your answers, and in doing so you will define and refine your objectives as you fill in the blanks.

We're firm believers that writing down goals is the first step toward achieving those goals.

Once we have a written goal, we can then develop an action plan to achieve that goal.

Setting goals gives us our course. It gives us direction. It gives us a vision for our future. That vision can be both inspirational, and motivational. And inspiration and motivation are essential components of achieving our goals.

With inspiration, motivation and a clear sense of where to go, we can become better versions of ourselves.

To get started on our journey to economic freedom, we must visualize a destination. This does not need to be complicated or elaborate...but it does need to be yours. That means you must determine for yourself what economic freedom means to you.

Let's revisit the definition of economic freedom.

Economic freedom is achieved when you have accumulated enough assets to not worry about money.

Economic freedom allows you to be free of worry and stress about money. It is the freedom to be able to do what you want; go to work if you want, do volunteer work, help shape the world in your image, enjoy more time with your family, etc.

Whatever it is you want to do in life, achieving economic freedom is one component that allows you to pursue that want.

Economic freedom is your destination, but the road you travel to get there is your journey. This journey is like a long hike over hundreds of miles. You can take different routes, and stop along the way at many places. But, the journey certainly consists of taking one action step at a time.

Once you define a destination, you will work on a plan to arrive at that destination. And after you take a few action steps and allow some time to pass, you need to measure your progress. If progress is not satisfactory, we can adjust our action steps.

Here is another way to clarify your goals.

Make them SMART goals.

SMART is an acronym. S is for specific. The more specific you are in describing your goals the better the action plan will be. M is for measurable. Each goal must be measured so it can be monitored. A is for attainable. That goal must be possible to attain. R is for relevant. Why does this goal matter to me? T is for time. All goals must have a time frame.

Once you've created SMART goals, you are well on your way to achieving them.

Next, we move to the planning phase. Plans are like a road map designed to keep you on track and to measure and monitor your progress towards your goal. Plans can and will change as life and circumstances change. Plans give us structure and allow us to ask, what is the next step? What action should I take next?

Let's start with some brainstorming.

Fill out the questions on the following brainstorming worksheet.

S P E C I F I C

M E A S U R A B L E

A T T A I N A B L E

R E L E V A N T

T I M E

Brainstorming your financial goals

How would you describe economic freedom if you were to tell a loved one or friend about it?
(i.e. Retiring at age 50, \$500k in retirement assets, \$10,000 per month in spendable income, etc.)

What do you need to do during the next five years to move closer to economic freedom?
(i.e. Fund retirement accounts, get out of debt, create more cash flow, earn more income, cut expenses)

What do you need to do in the next 12 months to move closer to this goal?

What is the biggest obstacle standing in your way of achieving this goal?

What is your biggest financial worry today?

What is the 1 development in the next 12 months that would help you towards economic freedom?
(i.e. Earn more money, get a better job, get out of credit card debt, etc.)

Goal setting ideas

For those under age 30:

- What is on your balance sheet? Assets and liabilities?
- How much money are your savings?
- What percentage of your take-home pay are you saving?
- You should try to save at least 10% of your take-home pay.
- Is there any debt you want to pay off?
- How can you earn more money?
- You must spend less than you make.

For those ages 40-55:

- What is on your balance sheet? Assets and liabilities?
- How much money are your savings?
- What is your spending plan?
- Are you paying down debt?
- Are you maxing out your retirement account contributions?
- Are you saving money for kids' college?
- What is your retirement date?

For those ages 55-65:

- Are you maximizing your retirement plans? (i.e. 401k, traditional and Roth IRAs)
- What could improve your balance sheet?
- Where can you reduce spending?
- Do you have an estate/legacy plan?
- What is the greatest threat or worry to your economic freedom?
- What is keeping you from achieving economic freedom?
- How could you improve your spending plan in the next 12 months?

For those ages 65 plus:

- What's your spending plan in retirement?
- What's your balance sheet look like?
- What's your debt service?
- What's your investment return goal?
- What's your income-generation goal?
- Is your estate and legacy plan up to date?

One more exercise that can insure you move towards your goal is to share your goals with others. (i.e. your spouse, parents, brothers, sisters, cousins, or a trusted advisor)

Drafting your financial goals

From your brainstorming answers, let's take the next step. Write down three-to-five financial goals that you can identify from your brainstorming.

Here are some categories and ideas to help you with this process.

Retire debt: Reduce/eliminate credit card, auto, student loan or other unwanted debt

Save for a purpose: Down payment on home

Save for economic freedom goals: Retirement plan savings, start/build a business, rental property

Earn more income: Career, profession, second job

Increase your investment return: better investment strategy

5 Draft financial goals

Goal 1:

Goal 2:

Goal 3:

Goal 4:

Goal 5:

Finalizing your financial goals

Now that you have draft goals, give yourself a pat on the back, this is a job well done!

We are making true progress toward your economic freedom. Let's take the next step and change our drafts into final form, SMART our goals, build our plans and start taking action. Take each of your draft goals and fill out this final form. This will allow you to establish the goal, SMART each goal by defining it in terms of monitoring, time line and answering why this goal is so important to you. Now we can create plans and action steps to achievement of your objective.

Finalizing your goals

My financial goal is?

Specific: What, precisely, is my goal?

Measurable: How will I track my progress?

Attainable: Do I have what I need to make this goal possible?

Relevant: Why does this matter to me?

Time: When will I complete this goal? What progress will I make this year?

What are my plans to achieve this goal?

What are my five action steps to get started towards my goal?

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