Creating Family Financial Goals

Steps to Creating Powerful Family Momentum Toward a Bright Future.

Working toward family financial goals brings families closer together. Your family will begin to operate as a single unit in your quest to reach those goals. Many top business organizations, sports teams and charities share common financial goals that bring team members closer together. If it works for them, why not put the power of financial goal-setting to work for your family?
Have you ever heard of the business concept of “putting our heads together?” This principle applies to family goals too. The more family members working toward a common goal, the faster you'll get there. What's more, when an entire family unit works together toward a financial goal, each family member appreciates the unique bonding experience. This is one of the key messages presented by the Financial EduNation campaign.

Financial EduNation grew out of a desire to empower today's young people by imparting crucial financial skills. The brainchild of the National Financial Educators Council, Financial EduNation provides complimentary financial literacy resources to communities across the U.S. They believe that improving the money management skills of youth strengthens not only our nation’s communities, but our families as well.

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**What family goals should we set?**

Family goals should revolve around every area of your life; for example, you should set health, personal development, spiritual/religious, and life goals. This article focuses specifically on family financial goals. However, you can easily adopt the techniques to cover other areas of your life. Each individual family member should set his or her own personal goals, with full support from the family.

By setting family financial goals and working together to achieve financial freedom, everyone feels a sense of purpose and a feeling of optimism. Children, parents, and extended family alike will benefit from the supportive qualities of working toward common goals.
How to set family financial goals

Begin by identifying the objectives your family as a whole wants to accomplish. Take time to figure out what motivates each individual. Maybe one family member wants a vacation home at the beach; another person wants to retire next year; another member wants enough financial security to take a month off each year on family vacations. Find out what everyone dreams about. It’s a good starting point for setting realistic goals, and sharing each other’s dreams brings you closer.

Once you understand what each family member wants, it’s time to strive for alignment. In other words, what positive action can you take that will bring you closer to your dreams? Maybe you want to learn more about making investments, increase your 401k savings, save for a new car, or just set aside money for a rainy day. The bottom line is that everyone in the family has to do his or her part. When the family works together toward a common goal of achieving financial freedom, everyone’s life improves. The ability to set and achieve family financial goals will improve every aspect of your individual lives and your family relations.

Family Financial Goals that Work

Adopting sound goal-setting techniques allows your family to maximize the effectiveness of your financial goals.

Use the SMART guidelines for goal-setting:

- **S**pecific. Make goals that are specific enough that you will know when you reach them.
- **M**easurable. Make sure you can measure when you’ve reached your goal, as well as track your progress.
- **A**chievable. Choose goals you actually have a hope of reaching.
- **R**ealistic. Be sure that the resources you need to achieve your goals are available, and that you can realistically accomplish them.
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Timeline-driven. Set a specific date for reaching your goal. This inspires action and maintains your motivation along the way.

Adding a reward that you all can enjoy when you reach your goal provides added motivation. For instance, “We have cut down the money we spend on eating out by $200 over the next two months. To reward ourselves for reaching our goal, we will take a weekend trip to Huntington Beach.”

Many financial gurus also suggest that framing goals in the positive will maximize their effectiveness. Use results-oriented words like “I accomplished,” “I received,” or “I have.” Positive framing helps direct your minds to focus on the outcome.

In addition to smaller goals, try to get everyone focused on larger goals as well. Share your retirement or long-term financial goals with your children. Sit down with them and discuss your strategy. You’ll not only be educating them, you’ll help them feel like they’re part of your future. This brings the family closer. And when you reach goals, you can all celebrate together.

Take an evening and sit down together for dinner with no interruptions. Get everyone to describe their dreams, goals, and aspirations. Write them down. Find a way to align your goals to build a dynamic family unit that accomplishes goals together. Each goal you strive toward and accomplish together will bring your family closer. Not only that, but you will be working together toward money smarts and financial freedom.