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Set personal financial goals that are realistic, attainable and time-bound.



Do you ever feel that you have all these big dreams for your life but will never have enough money to live them? Or do you regret not having much to show for many years of working and earning? Maybe what you need to do differently is to set goals for your personal finances this year.

What's a financial goal?

A financial goal is any plan you have for your money. Your goals can be short or long-term. Paying off a loan by the end of the year is a short-term goal while investing towards retirement in 20 years is an example of a long-term goal. Your goals act as a financial compass no matter how long it takes to achieve them. It is also important that your goals are clear and not just vague ambitions. 'Manage my finances better this year' may sound nice but a clearer goal would be 'to invest GHC 10,000 in my retirement fund by December'.

How to set S.M.A.R.T. financial goals



Set goals that are specific: Being specific means identifying a clear goal, adding quantifiers, if possible, and understanding why it is important to achieve the goal. An example of a specific goal would be 'to purchase a home by age 60 so that I can retire without rent-stress.'



Set goals that are measurable: This is where money and time indicators come in. Without the ability to track the goal, you are not likely to attain it. If you want to purchase a home, start by finding out how much it costs, at what age you would like to buy it, and how much you would need to invest daily, monthly or annually to get to your goal.



Set goals that are attainable: Related to measurability is the need for the goal to be attainable. For example, your monthly investment required for your dream home must not be too much that you are unable to meet other essential needs.



Set goals that are realistic: Being realistic means working with the resources you have and making prudent financial decisions. Don't set a major goal that is dependent on winning a lottery or remittance from a family member. Cutting down on how much you spend on lunch or internet data may actually be a more realistic and wiser way to save and make money.



Set goals that are time-bound: When do you hope to achieve your goals? If it is in some years, can we break it down further? Usually, the shorter the time frame to achieve a goal, the easier it is to achieve them. So for example, if you plan to invest GHC 20,000 for your house by December, then you can check after 6 months to see if you have raised half of it.

Why it is important to set personal financial goals

Having a goal will help you to manage your money better. You will begin to see how small decisions (such as eating out at a less expensive restaurant) can go a long way to improving your finances. And of course, you enjoy the satisfaction that comes from achieving your big dreams such as a house, a comfortable retirement, tertiary education abroad for your children or simply getting out of debt.

An essential financial goal is to consistently invest an amount that works for you throughout the year. At Databank, we are ready to assist you to invest towards your financial goals. Talk to us today. Call us on **0302 610610** or send us a mail at info@databankgroup.com.

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