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5 Steps Toward Creating Goals.

Right now is a great opportunity to think about the goals you want to accomplish throughout 2019. These goals could be financial, physical, or mental goals. In order to be successful at reaching these goals, there is one thing you must do; create a plan. This will create a strategy that you can follow so you know you are taking the right steps to complete them.

Our unique and strategic, Plan Well. Invest Well. Live Well™ process uses a similar approach to achieve your financial life goals. Our qualified and innovative team will develop a plan based on your needs and choose an investment strategy based on your risk tolerance to ensure that you can ultimately Live Well by achieving the goals you set out to accomplish.

This month, we will talk about the various goals you may have and the best strategies to help achieve them. Here are five steps to setting and accomplishing financial goals.

Step 1: Figure out what matters to you

Before creating a financial plan, you need to understand your goals. Of course, most of us want to save for retirement. And if you have children, you're likely thinking about a college savings plan. But do you want to buy a home within the next five years? Are you planning to buy a car at the end of this year?

It's important to think about your short-term goals, as well as those long-term or big picture goals. Perhaps you want to finance a trip to Thailand, or take your parents out for an expensive dinner for their anniversary.

While recording your goals, make sure they are SMART goals: Specific, Measurable, Achievable, Relevant, and Timely. A goal to save for that trip to Thailand can be made SMARTer with a detail-oriented eye. For instance, you could write: "Save $2,000 total for the Thailand trip by putting $115 monthly into my savings account over the next 18 months."

Step 2: Prioritize

Goals need to be prioritized and quantified. After you've pulled together all of your financial information and you've made a list of goals based on that data, you're ready to prioritize.

If you want to pay off credit card debt, establish an emergency fund, save for retirement, buy a new house, and also create an annual travel budget, all of that may not be possible right away. Thus, the need for prioritization.

Take your list of goals and number them based on your true interests, as earlier defined. Many financial advisors would advise their clients to start with three key measures of basic financial health: retirement funding, emergency fund savings, and debt repayment. You don't have to approach these one at a time, but you can choose to work on goals simultaneously and "stack" goals by creating a progression of one goal to another. For instance, once you pay off your highest interest debt, you can start saving for a new car. Stacking can help motivate you through the more tedious goals, so you can get to the exciting ones!

Step 3: Create a realistic budget

In order to achieve your goals, you need a budget, one that takes all of your expenses into account.

Financial planning startup LearnVest is known for its 50/20/30 Rule for budgeting, which specifies that no more than 50 percent of your income should go to essential living expenses (like housing, utilities, transportation, and groceries), no less than 20 percent should go to your financial priorities (such as retirement planning and an emergency fund), and no more than 30 percent should go toward your lifestyle (things like shopping, clothing, entertainment, fitness, and all the other frills in life).

Your budget should start with comprehensive look at your income and determine the best way to utilize that income on a monthly or weekly basis. Utilize LearnVest's 50/20/30 Rule, come up with your own framework, or plan a budget with an advisor.

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Step 4. Automate

After you've figured out your expenses, then you can figure out how much income you have left to put aside into savings and retirement. You can automatically deduct income into a separate account, no matter what amount. Pay yourself first so you are less likely to spend that money later on in the month.

In fact, you're best served by automating as much of your budget as possible so you're not relying on willpower or your memory to stay on track. Most banks and service providers have automated payment systems that you can use to completely automate your financial life. Setting up weekly or monthly payments will not only take off the mental burden and keep you on track, but will also help smooth out your cash flow. If you've ever forgotten a payment, you know that $100 missed payment this month means a $200 payment (plus a late fee) next month.

And if you get a raise? Use the excess of what you made prior since you are acclimated to living to that amount.

Step 5: Check on your progress

Once you've made a plan, make sure you check in regularly so that you stay on track. Whether you've got an advisor or you're managing your plan on your own, you need to make sure you're staying the course, and be aware of under-utilizing your funds.

Financial planning is iterative. It's not a one-and-done solution, but rather a base plan that should be reviewed and updated periodically. Revisit your plan annually with a financial advisor, or anytime you've had a big life event. If you're not working with an advisor, schedule annual review sessions for yourself.

Plan Well

Think about all the things you hope to achieve in 2019. By creating a strategy and executing it, you can reach any goal, big or small.

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