

## Goals and Standards in Resource Management<sup>1</sup>

---

Katey Walker and Michael Gutter<sup>2</sup>

Setting goals can help families stick to their financial management plan by giving their plan a purpose. Goals are the end results toward which individuals or families are willing to work. In simple terms, goals are what you want. They may be actual things (a new coat or a car), activities (going on a trip), money (\$1000 in the bank), or something less tangible. Goals develop from values—our ideas about what is important and worthwhile.

### Needs and Wants

Everyone needs food, shelter, clothing, transportation, recreation, and social interaction. However, most people are not satisfied when only these needs are met. They want a great many things beyond those that are required for survival.

Needs are usually defined as things which are essential for survival. They include both physical needs, such as shelter and food, and social or psychological needs, such as time for relaxation. Wants are usually defined as all the other things we would like to have but which are not necessary for survival. Both needs and wants are influenced by the society in which we live. Human wants are unlimited, while the resources available to satisfy them are

limited. This makes it necessary to decide on goals and set priorities. Which goals are the most important goals? Which should be prioritized first?

Goals vary with stages in the family life cycle, community norms, and individual interests. People with higher incomes and substantial assets will usually be able to achieve more goals in less time.

Many goals take relatively little money compared to the time they take. Time for study and practice is vital to the development of many career and leisure time skills. It's important for you to identify what goals are really important enough to work toward.

Goal setting is the hardest part of the management process. Most people are not used to thinking in terms of setting and meeting their goals. Think through these questions to see if you have a solid goal and a true commitment.

For one thing, will you have the desire to "pay yourself first"? Paying yourself first means making saving part of your planned expenses in your budget. This way you are saving what you *need*, rather than merely what is left.

---

1. This document is FCS7055, one in a series of the Family, Youth and Community Sciences Department, Florida Cooperative Extension Service, Institute of Food and Agricultural Sciences, University of Florida. First published: March 1983. Revised October 2007. Please visit the EDIS Website at <http://edis.ifas.ufl.edu>.

2. Katey Walker, former Family Resource Management Specialist, and Michael S. Gutter, assistant professor, Department of Family, Youth and Community Sciences, Cooperative Extension Service, Institute of Food and Agricultural Sciences, University of Florida, Gainesville FL 32611.

In essence, set **SMART** goals:

**Specific**

**Measurable**

**Attainable**

**Realistic**

**Timely**

When forming your goals, it can be helpful to consider each of these terms in making your goal statement.

- **Specific** goals will help you better understand exactly what you want or need.
- Making your goals **measurable** (for instance, when do I want this to happen and how much money do I need?) can help you to visualize the path to your desired outcome.
- **Attainable** goals are ones which actually have an end point.
- **Realistic** goals are ones that are not based on ideals, but your actual situation. Setting too high of a standard can make you feel less confident about reaching it.
- Finally, the **timing** should coincide with your needs. Plan to have the down payment by the time you would like to buy the house.

It takes commitment and effort to make goals a part of daily life. There is no magic way to incorporate the steps leading to long-term goals into daily living.

Time, money, and other resources must be devoted to working toward future goals.

### Planning to Meet Your Goals

Planning ahead involves designing a method or strategy for reaching goals. It includes setting goals, establishing priorities, and determining the activities needed to reach the goals. Planning involves making decisions—identifying the problem to be solved or the goal to be achieved, obtaining information and examining possible courses of action, considering the

consequences of each alternative, and selecting the best one. Often it's not possible for all personal wants to be achieved, at least not within a short time period.

One helpful way to think about goals is to categorize them according to the time needed to achieve them.

Some very generalized long-range goals might be to become a millionaire by age 65 and enjoy good living in the process, or to earn just enough income to live on and devote your life to public service. The more specifically the goals can be stated, the better the chance of achieving them. A goal of "good living" is too vague to be meaningful. Specific long-range goals might include saving money for your children's college education, for the down payment for a home, or even for an annual vacation

Short-term goals are often set as ways of meeting the ultimate or long-term goal. For example, if early retirement is the long-term goal, a short-term goal might be to save a certain sum of money each year to assure a large enough sum of money at retirement time. A couple might spend their yearly vacation visiting places to determine where they want to live when they retire.

Coordinating your current spending decisions with your long-term goals is crucial. If you give in to buying something on an impulse, that money is no longer available to put toward one of your longer-term goals, and you have lost a chance to move closer to your goal. Priority setting is the mechanism for coordinating long-term goals and short-term plans and actions. Remember to "pay yourself first" and budget so that you fund your goals regularly; this will greatly improve your odds of success.

### Working Toward Realistic Goals

Families need to choose realistic goals— not impossible ones, or those that cost so much in time, money, or effort that even if the goal is attained, it will not be as satisfying as anticipated.

Daily action may be necessary to move toward a long-term goal. Saving all your pennies or nickels at the end of every day, for example, can add up to

substantial savings over a period of time. Doing small things, like foregoing the coffee on the way to work, will give you an extra \$3-4 a day that will add up. Reading a chapter a day lets you finish a book in a few weeks.

Families have more than one goal at a time. Goals compete with each other, and resources are limited. Some examples of general family goals are:

- Satisfying personal and family relationships.
- Providing adequate education for all family members.
- Encouraging good citizenship and ethical actions.
- Attaining financial security.

If possible, these broad goals should be defined in specific, measurable terms. "Adequate education" might be defined as:

- A specific sum of money to be saved for a child's college education.
- Subscriptions to professional or trade journals.
- Participation in continuing education or leisure time classes.
- Taking a speed-reading course.

### **Priorities**

Setting priorities means that you plan to do first things first. This means that you rank your goals in order of importance or in the order they need to happen. "First things" are the most important things...those that help you move closer to your goals.

- List what has to be done.
- List what ought to be done.
- List what you want to do (if there is time)
- List what should be left undone.

When putting your plan into action, begin working on the top priority activities. Remember that some time for yourself should be scheduled into the "what has to be done" list. Goal-setting, like other parts of the management process, is not designed to simply turn you into an overworked robot.

A family should set its own goals and standards. Some compromise will be necessary among family members. In order to be achieved, many family goals require concerted group action.

Setting up goals for spending time or money or other resources is not enough by itself. We also need the motivation and ability to take action designed to accomplish these goals.

### **Standards**

Standards are the criteria for judging progress toward or attainment of goals. They are the rules we try to live our lives by and criteria by which we make our decisions. They tell us "how much is enough" and when we have accomplished what we set out to do. They might be our personal benchmarks for our goals or for the process in which we are working toward our goals (e.g., managing expenses). Some standards are derived from values—determining the importance of and satisfaction received from an activity or product. Other standards are set by authorities, by law, or by custom.

Without standards, it is difficult to tell when goals have been reached. By having a specific goal statement, the standard becomes specific to you. For example, all family members may agree that they want a neat house. But the degree of neatness satisfactory to one family member may not be satisfactory to another. The acceptable standard of performance may vary with the situation and the persons involved.

Goals and standards should be reviewed periodically, or when changes in the family situation or outside events occur. Standards for management are evaluated in terms of resource costs and effects on the people involved.

## Evaluating Standards

People sometimes make plans to achieve certain standards; later, they find they must adjust the standards they have set for themselves because they cannot attain them. Standards should be evaluated in terms of cost. Costs may be measured in money, in use of other resources, or in effects on other people.

A woman who starts to work outside the home may find she has to change her standards in housecleaning, food preparation, etc. The standards she had when she was a full-time home manager may require too much of her time and energy now. In changing situations, we need to determine why we have certain standards and decide if the standard is still appropriate and serving its purpose in the new situation.

An older home manager may still be doing laundry every day, even though the children are grown and the amount of clothes to be washed is much smaller. The daily standard of doing laundry may persist because of habit. She may be using water, a scarce resource, in larger than necessary amounts if she is only washing partial loads.

Standards can be either fixed or flexible. There are fewer fixed standards in society today than in previous years. Fixed standards are often associated with legal, social, or religious institutions. Flexible standards allow people to adjust to changing situations more readily, but sometimes flexibility is carried to the point where few or no real standards exist. Some balance is needed.

Personal and financial goals are interrelated to the extent that separating them is often difficult. In a financial management program we usually look at goal achievement in money terms. It's essential to remember that individual development, good family relationships, and other intangible goals do exist, even though they are hard or impossible to measure in precise terms.

Standards differ from family to family, and from person to person within a family because each person has different values. But standards are not easily changed. Conflicts and stress are often experienced

when families try to develop new standards to meet changes in their lives.

When family members communicate openly with each other, it is easier to agree on goals and standards. Since each person has competing wants, selections must be made. Deciding which goals and standards are the most attainable and desirable takes time, thought, and often many discussions. The family that decides what goals are the most important and then works toward achieving them is more likely to get what its members want from life.