

Goal Setting and Critical Thinking

Pretest

In goal setting we use the acronym SMART. Identify what each letter in this acronym stands for:

1. S _____
2. M _____
3. A _____
4. R _____
5. T _____
6. Dreams and goals are two entirely different things and do not have anything to do with each other.
 - a. True
 - b. False
7. You could easily be your own worst enemy when you are trying to reach your goals.
 - a. True
 - b. False
8. When you are wiping out debt you should pay a little bit extra on all of your bills each month.
 - a. True
 - b. False
9. Could this statement ever be true, "If you spend more than you can afford on a house, it really is no longer an asset."
 - a. True
 - b. False
10. Being well-educated is one of the qualities of a critical thinker.
 - a. True
 - b. False

Goal Setting and Critical Thinking Module

This unit is divided into two parts: Goal Setting and Critical Thinking Skills.

Goal Setting

Setting goals and reaching those goals will help you succeed in all areas of your life. But this is an economic literacy program and throughout it you have been working on taking control of your own financial life. So the goals you set during this set of exercises should be financial.

Your textbook will walk you through the process of setting SMART goals:

- **Specific** Making your goals specific makes them more real. “A better life” is so general that it can mean something different to each person who says it. “Owning my own home” is better. Owning a home of a particular size in a particular school district is even better.
- **Measurable** If you can’t measure your goal, you won’t know when you’ve met it. Financial goals can involve specific amounts of income, and savings, or they can include specific, measurable actions like getting spending in line with your budget guidelines.
- **Attainable** Don’t make your goals too small, but make them goals that you believe you can reach. What seems unattainable to you now may in fact be attainable to you in the future, but start with goals you can believe in right now.
- **Realistic** It isn’t enough for a goal to be something you *can* do. It has to be something that you will be able to do with the resources you’re willing and able to put into it. Owning your own business may be an attainable goal, but it’s not realistic if you aren’t ready to work extra hours in the beginning.
- **Timely** Napoleon Hill said, “A goal is a dream with a deadline.” As long as your goal is to go back to school someday, it’s a dream. When you plan to go back to school next fall, and figure out the steps you need to take to do so, it becomes a goal.

In order to set SMART goals, you’ll have to do some deep thinking. Your textbook takes you through the steps involved:

- Page 1 asks, “What are Your Dreams?” Think of three of your personal dreams and write them on this page.
- Page 2 helps you figure out what talents you have which you can use to reach your goals. Identify three of your talents and write them in the boxes on the page headed “What Are Your Talents?”
- Page 3 asks you to review your own values. Write the three values you hold most dear in the boxes provided.
- Page 4 helps you take your dreams, your talents, and your values and distill them into goals and action steps. In this part of the exercise, you will divide your goals into immediate, short-term and long-term goals.
- Page 5 helps you develop long-term goals. As you work through this page, really think about the SMART principal. Is each of your goals SMART?
- Page 6 helps you plan your short-term goals. Use this page to identify three short-term goals that will help you reach the long-term goals you listed on page 5. Then list two short-term goals that are complete in themselves.
- Page 7 helps you create immediate goals, or action steps that you can take right away. Identify three immediate goals that will help you reach the short-term goals you listed on page 6. Then list two immediate goals that are complete in themselves.
- Complete the quiz on page 8. The answers to the questions on this page are personal to you. Really think about how you answer them.

- Page 9 helps you identify the barriers that may affect your work toward your goals. Everyone faces obstacles while working toward long term goals. Foreseeing barriers allows you to think of solutions or positive ways to meet those obstacles. Reflect upon the barriers you face in taking control of your financial life.
- The exercises on pages 10, 11, 12 and 13 put the concepts behind goal setting into your financial life. Read the instructions in the book and complete these exercises.

Critical Thinking Skills

Critical thinking skills make it easier to make good financial decisions and set realistic financial goals. Complete the following 15 pages to improve your critical thinking abilities:

- Page 1 lists “The 7 Qualities of a Critical Thinker,” and pages 2, 3, and 4 go into greater detail. Read these pages and think about them.
- Read pages 5 and 6. You will see from the material on these pages that two reputable authors writing on the subject of personal financial assets do not agree on just what constitutes an asset. Read this material and decide for yourself if you agree with Sherraden or with Kiyosaki. Perhaps you don’t completely agree with either of them. Reflect on the way you read and thought about the material you just read on assets. Did you approach these materials with the seven qualities of critical thinkers from page 1?
- Page 7 introduces the idea of creative thinking. Sometimes the answers to the problems you are facing are best found if you think creatively. Complete the exercise on the bottom of page 7.
- Pages 8, 9, 10 and 11 introduce a dilemma facing Shari. After reading this case study, complete the answers to the questions on page 12. There are no easy answers for Shari’s problems, but some solutions might affect her finances in a better way than others. Use what you’ve learned about critical and creative thinking to determine the best possible solution.
- Page 13 and 14 present the second case study. Read it and answer the questions at the end of page 14. In this case study, Gordon and Andrea are facing some difficult choices. Some choices will hurt their family’s finances less than others. Use critical and creative thinking to determine their best options.
- Page 15 gives an “Assignment for Next Week.” You will not have to do this as an assignment because you are not taking this program in a classroom setting, but it is a good exercise. Watch TV critically next week and recognize the tools of persuasion. Develop the habit of reading critically, too.

Posttest

In goal setting we use the acronym SMART. Identify what each letter in this acronym stands for.

1. S _____

2. M _____
3. A _____
4. R _____
5. T _____
6. A successful critical thinker is self-confident.
 - a. True
 - b. False
7. Under certain circumstances a home may not be an asset.
 - a. True
 - b. False
8. Creative thinking is fine if you are writing a poem but has little place in your financial life.
 - a. True
 - b. False
9. Both Sherraden and Kiyosaki consider stocks an asset.
 - a. True
 - b. False
10. Once you have set your personal financial goals you never have to think about them or update them again.
 - a. True
 - b. False