

Smart Money: The magic of goal setting

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Brad Brain: "The simple exercise of giving concentrated thought to where you want to end up — to be able to articulate what it is you want to achieve — increases the chances of getting to where you want to be." | Getty Images



The magic of goal setting? Really, Brad? Magic? Isn't that a little over the top?

Well, read on, and decide for yourself.

Recently I had a conversation with my friend Doug Bennett, and I can't stop thinking about it. Doug is an accomplished financial advisor from the United Kingdom, and he has done a lot of work on the importance of setting goals. His second book on goals will be out shortly, and his weekly podcast called [*Goals DO Come True*](#) is available on Spotify.

Doug was at a low point once. He wrote down 11 goals in a journal, some of them quite daunting. But then the journal was set aside until he came across it a few years later. And guess what he found?

Ten of the 11 goals had been achieved.

Even though these goals were in the back of his mind at best, he still accomplished them. Clarifying what he was trying to do was the first step in attaining his objectives

This is not merely anecdotal. Academic research supports this. The simple exercise of giving concentrated thought to where you want to end up — to be able to articulate what it is you want to achieve — increases the chances of getting to where you want to be.

I expect that at this point some people are reading this, thinking to themselves, “I don’t get it, doesn’t everyone know what they want?” I can attest that this is less common than you might expect. There are quite a few people that wander through life. Yearning for better, but not having a clear idea what “better” even means. Where every day is the same as the one before, and any progress that might happen is slow and/or sporadic.

Just writing your goals down and then somehow reaching them may seem like magic, but it makes sense when we think it through. To focus our attention and our actions on living with purpose should increase our odds of success over the randomness of an unplanned life. It has been said that a goal without an action plan is just a dream. You need the action plan for the dream to become a reality.

There are some great goals that require little more than a commitment. Things like spending time with family, or eating better, or exercising more don’t have to come with a price tag.

But other goals require funding, and often these are the ones that require you to plan ahead. A retirement income that you will never outlive. Educating your children. Making philanthropic contributions.

Here is the paradox. People will say that certain things are important to them, but then they don’t act that way. They say they want to live healthy, but then they regularly eat junk. They say they want to retire, but then they don’t save for retirement. They talk the talk, but they don’t walk the walk.

Financially, it is not uncommon for people to make spending decisions that are unhinged from anything that is truly important to them. They will do things that seem like a good idea at the time, but over time they end up with a bunch of ideas that seemed good at the time. No strategy. No consistency. Maybe no results.

This is because money decisions are often not rational. They are emotional. And the two biggest drivers of money decisions are greed and fear, with fear repeatedly manifesting as the fear of missing out. But greed and fear are usually not the best platform to base intelligent decisions on.

Take some time to really think about what is important to you, write it down, and try to consistently make decisions that are appropriate for your objectives. Then watch the magic happen.

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