



BUILDERS CLUB

build your future

INTRODUCTION LESSON #2



Goals

Learning is essential. However, continuously learning and not doing anything does not get you further ahead. You need also to take action. Anyone can write down lofty goals. However, few people will achieve them as they stop after writing them down and do not invest their time into achieving them.

Now that you understand where your money goes, make sure you are keeping some of your hard-earned money for yourself.

The next step is more exciting. This is where you set your goals and make sure you set them high. With the right amount of risk, you can achieve your goals.

If you could write the script of your money journey, what would you write?

How To Set Goals

There are a variety of things to learn about goals and how you respond to the challenges of life. Some people can see their goal visually in their head and without needing to write anything down they focus on the little steps needed to achieve.



Others write SMART goals down that are

- Specific
- Measurable
- Achievable
- Relevant
- Time-bound

This gives clarity around what you are trying to achieve. This translates a desire like “lose weight” to a SMART goal which would be “lose 5 kg in 2 months by reducing my calorie intake by 300 calories a day and exercising 3 times a week.” With your own budgeting, instead of “stop spending money on useless things”, you change this to “I will save \$50 a week by reducing my supermarket bill and learning to make budget-friendly evening meals.” Studies by Dr. Matthews have shown that by writing down your goals you are 43% more likely to achieve them. A downside of larger goals, is they can start well but seem to be out of reach. With savings goals, you need to just focus on the weekly behaviours you need to master. So instead of thinking I want to save \$5000, say “I want to save \$100 a week by reducing the money I spend on entertainment and internet shopping.” In one year if you follow this goal, you will have \$5000.

The quality of your life is determined by the quality of your decisions. People with self-discipline will experience far more long term success than those who lack the self discipline to set themselves up for future success. This also includes not only your ability to set goals for financial gain but also your ability to persist when times are hard, look after your own physical and mental health and most importantly, treat others respectfully.

Often, opportunities occur through relationships you have built up over many years. People want to support nice people. It is amazing the doors that will open if you treat others with the highest level of respect.

Daily Affirmations

This has been a method used by successful people around the world to succeed with their goals. Every day they say an affirmation like "In 6 months, I am going to be debt free." This helps to focus your thinking on achieving this goal and keeping you on track.

Visualisation

Visualising your goals can be extremely effective for people. Seeing your future success in your mind can help your brain believe. It also brings a positive mentality that you are capable. What you tell your brain, it will believe.

The Compound Affect of Building Habits

Beginning a new routine is hard. There is immense power in daily habits that lead to life-changing outcomes. You can use apps on your phone that help you keep on track and turn your daily habits into a game. Reading for 10 minutes every day and exercising for 10 minutes a day to start with will slowly start changing you. This is an example of how small daily habits can build a better future for yourself. We often understand this with exercise, but money is harder. This can be because you are not the only person controlling your family's finances. Or, you have not been taught any other system of how to use your money. Small, achievable habits can change your life.

One habit that can be effective for people is every time you do your grocery shopping, get out \$20 cash. Put this \$20 note into a safe place at home and do not touch it until you have built up \$1000. Then with that \$1000 invest it into your Shares account. Hopefully, this will give you a visual representation of how much your money is worth and how spending \$20 on frivolous things adds up to significant amounts of money.

Accountability

Staying accountable to the goals you set is important. If your savings goal is \$5000 by the end of the year, you might share a screenshot of your savings account every week with a friend to keep you on track. Having to check in with someone and be asked questions, can be the added motivation we all need. You could even find another person who wants to achieve the same goal as you and be accountable to each other every week.

What Happens When You Slip Up

Not reaching a weekly goal of saving \$100 is not the end of the world. Remember next week is another opportunity to achieve again. The worst thing to do is get down about a small set back and give up. Your ability to persevere through failure is often the only difference between people who succeed and those who do not.

Use all the tools you can to ensure you achieve your goals. You know yourself the best and what will work for you. There is no one way, there is just your way.

Activity

Write your goals in your money journal.

Read through some examples if you need inspiration.

Person A - Goals

Work an extra shift per week, or gain 5 hours more employment in another job and invest this money into a savings and shares account.

Start an online business as a side hustle.

Talk to family/friends about investing together in property. Investigate flipping a house, gain basic DIY skills and make at least 3 offers on houses in the next year.

This might seem like a lot of different goals, but by investigating different investment opportunities it will lead to a number of different leads. You need to be in the investing game to be able to win. Sitting on the sidelines will not bring about success.

Person B - Goals

Start studying part time as I work to gain a qualification that will get me a better paying job. Ask my boss for a pay rise and what internal positions are coming up that I could apply for.

Start saving 10% of my pay and increasing this by 1% every two months, until I get to saving 20% of my pay. Put 50% of this money into paying off debts faster, 25% into a savings account and 25% into shares.

Person C - Debt Goals

Take on another job on the weekend or at nights to work 10 more hours a week. With this money, pay back my smallest loan first and then put all my money into debt reduction (Snowball effect). Smallest debt - \$1200 Visa - pay off first and then cancel the Credit Card. Next to pay off is my Overdraft of \$3000. Pay off and then cancel the Overdraft as I tend to spend whatever my limit is. Last debt to pay off my car loan of \$6300. Continue to make the payments I already make, plus put all of the money from my extra job into this.

Person D - Start Today

Step one - sell items that I do not need and start a shares fund with \$1000. Then invest \$100 a week into the shares account. Leave the account for 10 years and with an average return of 10% from a S&P account there will be around \$82,000 in this account when compounded annually. If you do not have an extra \$100 a week then spend less or find a job to earn more. Make this happen and you will gain financial security.

These are examples of what your goals could be, they may resonate with you or not. Make your own and set your goals high. With courage and well planned out finances you will be in a strong position in a short amount of time.

Remember that you deserve this, you are worth it. Be the one that creates a legacy that others can follow.

Learning from others at this stage is vital. You can only set goals of outcomes you know exist. We often replicate the goals of our closest family and friends.

Some of us are lucky to be surrounded by financially successful people, but often copy without thinking the money habits of family and friends. It is important at this stage to recognise your thoughts about money and how this impacts your daily habits. If you have ever questioned how someone buys a house at 25 when you are in consumer debt with little to show for it, then a restructure of your thoughts is needed. Knowing what is possible is key here.

The changes you make today will set you up for a better tomorrow.



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