

# MONEY WISE

VALUING PEOPLE. VALUING MONEY.  
MANAGING IN TOUGH TIMES INITIATIVE



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### THIS MONTH'S TOPIC: RESOLVE TO SAVE SMART

The New Year is upon us and that means resolutions abound. Setting resolutions is easy. It is sticking to them that is difficult. In fact, research has shown that nearly half of all Americans make New Year's resolutions each year, though fewer than 10% will maintain their resolutions for longer than a few months. These are not encouraging odds.

Luckily, there is a very specific strategy you can employ to ensure that you are a part of the successful 10%: Make SMART goals!

- **Specific:** Setting general resolutions such as "I want to save money" can set you up for failure. Too much is left undetermined. Are you saving with a particular purchase in mind? Do you want to beef up your precautionary savings fund? Specific goals address questions such as what you are saving for or why you are saving.

- **Measurable:** Once you have established why you are saving, you need to determine how you will know when you have accomplished your goal. What is your definition of success? For savings goals, a measurable goal is one that has a clear dollar amount.
- **Achievable:** One of the most common reasons that people do not accomplish their New Year's resolution goals is because their goal was never possible in the first place. An achievable





goal is one that you actually have the ability to accomplish. You may want to save a million dollars next year, but can you really? Make sure that the dollar amount you choose for your goal is one you can achieve.

- **Realistic:** The difference between an achievable goal and realistic one is, well, reality. Saving \$1,000 a month over the next year may be achievable for you. However, it might require you to stop eating out entirely. This may not be realistic for you and your family. A realistic goal takes context into consideration and modifies the goal to something that can be reasonably met.
- **Time-bound:** A goal is time-bound when you have set a predetermined time frame in which it should be accomplished. Keep the first four characteristics of a SMART goal in mind as you establish your timeframe. Is this specific and measurable goal actually achievable and realistic in six months? If not, then consider giving yourself a more reasonable timeframe to meet your goal.

Once you have finished building your SMART goal, write it down. Post your SMART goal somewhere visible in your home or in your office such as on

the refrigerator or by your desk. This will keep your New Year's resolution in the forefront of your mind as you go about your day, ensuring that you stay focused on saving money.

If you fall behind, that's okay. It is not a reason to give up. Instead, you can adjust the amount you want to save or the timeframe you have allotted to give yourself something reasonable for which to strive.

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