



- ❖ *increase savings*
- ❖ *decrease debt*
- ❖ *become financially fit*

## Welcome to Money 2000!

If you received a gift of \$2,000, what would you do with it? Would you pay off your credit card balance, purchase something you've always wanted, or invest it?

From January 1998 through December 2000, Hawaii Cooperative Extension Service invites you to become involved in an exciting, new program called **Money 2000**. Its objective is to increase the financial well-being of Hawaii residents through increased savings and reduced household debt.

**Money 2000** will help you look at your money decisions. Use this introductory issue, quarterly newsletters, and educational programs to examine your financial situation and work on your **Money 2000** goal. Start NOW by setting your financial goal based on your values about what's really important to you.

## Identifying Your Financial Goals

by Ronald Wall,  
Extension Specialist in Family Economics

### *Ordinary goals we understand*

Most of us react like a deer caught in headlights when asked what our financial goals are. This is not surprising since few of us can picture a financial goal quite as easily as other goals. Fortunately, financial goals and other goals are quite closely related. Goals such as a trip to Las Vegas, graduating from college, developing our job skills, raising children, replacing a troublesome appliance, enjoying early retirement, and taking care of aging parents are goals that we understand. But what is a financial goal?

### *What's a financial goal?*

Simply put, a financial goal is the monetary component of those things we want to purchase, achieve or support with our financial resources. For example, if you want to take a trip that requires airfare, ground transportation, hotel accommodations, food and incidental expenses, your financial goal would be to come up with the money necessary. Sound simple?



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## Financial Goals

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It would be if your living expenses were low, your income generous, your savings plentiful, and your competing needs not urgent. However, few financial goals are pursued without pressure from limited resources and competing goals.

### *Selection and commitment required*

We all must choose some goals over other goals and commit our resources to the goals we choose. Many of the goals we choose are determined by our position in life. Young adults need to ensure their basic employability or career choice. Couples with children need to support their care and development. Adults beyond childrearing need to focus on saving for retirement and perhaps taking care of their aging parents.

### *Choices to build for success*

Choosing goals in their order of importance is most important for long-term financial success. The choice between taking a trip now or at some future time may be relatively unimportant. But when a young adult spends \$1,500 for a car sound system rather than saving for college tuition, it may mean having to work and taking longer to complete college.



## Values

by Lynn Nakamura-Tengan, Extension Educator

Values are desired principles and qualities that:

- are shaped by the people and world around us
- change over time
- are not all of equal importance
- are expressed and regarded differently by people

Differences in values and competing importance of values play a key role in prioritizing goals and making decisions about resources. How we use our resources ultimately impact our ability to successfully achieve our goals.



### *Goal Setting*

## \$2000 by 2000

by Pamela Kutara,  
Extension Educator

Do you have a goal or is it a dream? A dream is vague. "I want to take a trip to the mainland." "In a few years we hope to buy a house." "I want to send my child to college." These are dreams.

A goal is specific, achievable, written and has dates for beginning and ending. "By the end of the year 2000, we will have \$2000 that we need to visit Disneyland by saving \$14 per week."

### *Answer Four Questions*

1. **WHAT?** What do I need or want? Make a list. Now, go back over each item and ask yourself, is this a "need" or a "want"?

Be aware that sometimes individuals and households confuse the two. Needs are "essential" to basic living such as food, shelter, health, and clothing. Wants tend to be desires which are "nice to have" that you feel enhance your quality of life beyond the basics or what is sufficient. Pants are a need, designer pants are a want. You must decide based on your values, so be honest.

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## Kid's Corner

### *Learning About Money Values*

Family Resource Kit, UHM Center on the Family

You give your children a wonderful gift when you teach them to understand and appreciate the value of money. To start, you need to be clear on what you want your children to learn. Show these values and practices in your own actions.

Children are more likely to imitate your behavior than listen to your words. If you demonstrate responsible money management attitudes and habits, they will too.

### What is it that I need or want?

Item	Need or Want	Estimated Cost	Priority Rank (#1 to #5)
<i>(Examples)</i>			
Trip to Disneyland	want	\$2000	3
Reliable used car	need	\$2000	1
Daughter's college fund	need	\$40,000	2

### \$2000 by 2000

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Estimate the monetary cost of each item. (This will probably require further research later.)

Finally, prioritize the importance to you as an individual and household. It's difficult if not impossible to obtain all that we desire. After all, our resources--human, material, and natural--are limited. See if the chart above helps you sort things out.



**2 WHEN?** When will this be done? A goal must have a timeline, otherwise it will continue to be a dream of "someday". Can the selected goal be achieved within a year (short-term), five years (intermediate) or longer (long-term)? An individual or household often establishes some of each, but being as specific as possible will assist you in making them a reality.

Set the end date. When will I complete this? Month? Day? Year? Set a beginning date. When will I start? Month? Day? Year?

**3 WHO?** Who will be involved? Just me? My partner and me? The entire household? A goal that affects only one person is easier to achieve than one that involves a cooperating partner or household. Those which require others to participate must be agreed upon if the plan is to succeed. Thus, it is important to determine who is willing to participate, what will each person do and clearly agree upon the sacrifices that must be made.

**4 HOW?** How will this be done? Sometimes a goal might appear to be difficult to achieve because of its magnitude. Take time to consider the following:

- How can this goal be achieved?
- What options do I have?
- How much time will it really take?
- What am I willing to do to achieve this goal?
- Is this goal realistic?

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The information in this newsletter is for educational purposes only. Reference to investment products do not imply endorsement. For specific advice, see your financial or legal advisor.

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### Establishing Your Goals

What?	When?	How?	Who?
<i>Example \$2000 for a reliable car</i>	<i>By Dec. 31, 2000</i>	<i>Save \$14/week by bringing home lunch at least three times a week</i>	<i>Me</i>

### \$2000 by 2000

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#### Divide and conquer

Set up an action plan that breaks up the big picture into smaller parts in order to progress slowly, but surely, a little at a time. Use a calendar to write down the progression of steps into a timetable. Each step then becomes measurable so that you can see if you are on track or need to make adjustments.

For example, how can I save \$2000 by the year 2000? Divide and conquer!

Saving \$2000 in three years without interest compounding:

- Saving \$672 per year
- Saving \$56 per month
- Saving \$14 per week
- Saving \$2 per day!!!!



☆☆ **Total of \$2016 saved** ☆☆