

# Setting a SMART savings goal

Students discuss short-term and long-term goals and what makes a goal SMART. They then create their own short-term savings goal and make an action plan to meet that goal.

## Learning goals

### Big idea

Saving money can help you achieve financial well-being.

### Essential questions

- How can I reach my savings goals?
- What is a SMART goal?

### Objectives

- Understand the concept of a SMART goal
- Create a SMART savings goal and savings targets
- Identify steps they can take to reach their targets

### What students will do


- Review the key elements of a SMART goal.
- Use the “Setting a SMART savings goal” worksheet to set a SMART savings goal.
- Create savings targets and a savings plan to achieve this goal.

### NOTE

Please remember to consider your students’ accommodations and special needs to ensure that all students are able to participate in a meaningful way.

#### KEY INFORMATION

Building block:

 Financial habits and norms

Grade level: High school (9-12)

Age range: 13-19

Topic: Save and invest (Saving for long-term goals, Saving for short-term goals)

School subject: CTE (Career and technical education), Math, Social studies or history

Teaching strategy: Personalized instruction, Project-based learning

Bloom’s Taxonomy level: Create

Activity duration: 45-60 minutes

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#### National Standards for Personal Financial Education, 2021

Saving: 12-9

Spending: 12-1

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

## Preparing for this activity

- While it's not necessary, completing the "Storing my savings" activity first may make this one more meaningful.
- Print copies of all student materials for each student, or prepare for students to access them electronically.

### What you'll need

#### THIS TEACHER GUIDE

- **Setting a SMART savings goal (guide)**  
[cfpb\\_building\\_block\\_activities\\_setting-smart-savings-goal\\_guide.pdf](#)

#### STUDENT MATERIALS

- **Setting a SMART savings goal (worksheet)**  
[cfpb\\_building\\_block\\_activities\\_setting-smart-savings-goal\\_worksheet.pdf](#)

## Exploring key financial concepts

The habit of saving money is a step toward achieving financial goals. One way to help students develop saving habits is to encourage them to set goals for the money they save.

Goals can be identified as short-term goals (can take a short time, or up to five years, to reach) and long-term goals (can take more than five years to achieve). It's helpful to create SMART goals, meaning they are specific, measurable, attainable, relevant, and timebound. People who take the time to write a SMART goal, and create a plan to achieve it, are much more likely to succeed. Similarly, savings goals often go hand in hand with the need to make choices about how to spend less or earn more. Making a weekly savings target helps make saving easier by breaking a larger goal into manageable pieces.

#### **TIP**

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Because financial products, terms, and laws change, students should be encouraged to always look for the most up-to-date information.

## Teaching this activity

### Whole-class introduction

- Ask students to share a definition of a goal.
  - If necessary, explain that a goal is something, such as an outcome, you wish to achieve or accomplish in a specific amount of time.
- Write the elements of SMART goals and the definitions of short-term and long-term goals for students to see.

<b>SMART goals</b> are... <ul style="list-style-type: none"><li>▪ Specific</li><li>▪ Measurable</li><li>▪ Attainable</li><li>▪ Relevant</li><li>▪ Timebound</li></ul>	<ul style="list-style-type: none"><li>▪ <b>Short-term goals</b> can take a short time, or up to five years, to reach.</li><li>▪ <b>Long-term goals</b> can take more than five years to achieve.</li></ul>
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- Write two sample goals for saving money and ask students to consider which one is a SMART goal.

Example of a general goal	Example of a SMART goal
I want to save money.	I want to save \$2,400 by next year so I can buy a car; therefore, I will need to put \$200 from my monthly paycheck into my savings account for the next 12 months.

- Ask students to reflect on how they can recognize a SMART goal.
- Have students brainstorm the differences between a SMART goal and a general goal.
- Ask students to identify a short-term savings goal they could try to achieve (such as paying for prom, a senior trip, books for college, a video game, or a new cell phone).
- Be sure students understand key vocabulary:
  - **Emergency fund:** A cash reserve that's specifically set aside for unplanned expenses or financial emergencies. Some common examples include car repairs, home repairs, medical bills, or a loss of income.

- **Goal:** Something, such as an outcome, you wish to achieve or accomplish in a specific amount of time.
- **Savings:** Money you have set aside in a secure place, such as in a bank account, that you can use for future emergencies or to make specific purchases.
- **SMART goals:** Goals that are specific, measurable, attainable, relevant, and timebound.

## TIP

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Visit CFPB's financial education glossary at [consumerfinance.gov/financial-education-glossary/](https://consumerfinance.gov/financial-education-glossary/).

## Individual work

- Distribute the "Setting a SMART savings goal" worksheet.
- Guide students through an exploration of the examples provided, introducing students to the concept of creating an emergency fund.
- Ask students to review the worksheet, making sure they understand what's expected.
- Give students time to complete the worksheet individually.
- As they work, check to see if students have any questions.

## Wrap-up

Ask a few students to share their SMART goals, their action plans, and any questions or ideas they came up with as they constructed their goals and plans.

## Suggested next steps

Consider searching for other [CFPB activities](#) that address the topics of saving and investing, including saving for long-term goals and saving for short-term goals. Suggested activities include "[Reflecting on what's worth saving for](#)" and "[Drawing your own savings comic strip](#)".

## Measuring student learning

Students' answers on their worksheets and during discussion can give you a sense of their understanding. **Keep in mind that students' answers may vary, as there may not be only one right answer.** The important thing is for students to have reasonable justification for their answers.