

# PFL Academy

Teacher Guide: Chapter 1.4 — Financial Goal Setting

## OVERVIEW

TIME	MATERIALS	PREREQUISITES
45-50 Minutes	Student Activity Packet, Calculator	None

## LESSON FLOW

### 5 min THE CHALLENGE

- Read Riley's goal-setting scenario aloud.
- Discussion: "What's something you've wanted to buy or save for? Did you have a specific plan?"

### 10 min CORE CONCEPTS

- Review 5 key terms. Write SMART acronym on board and unpack each letter.
- Compare two examples: "save money" vs. "save \$500 by June 1st by putting aside \$100/month."
- Quick check: Students identify which SMART element is missing from sample goals.

### 25-30 min APPLY IT

- **Part A (10 min):** Pairs or individual. Check that SMART conversions include all five elements.
- **Part B (10 min):** Goal prioritization. Accept different rankings if reasoning is sound.
- **Part C (5-10 min):** Personal goal setting. Ensure goals are truly SMART, not vague.

### 10 min CHECK YOUR UNDERSTANDING

- Complete in class or assign as homework.
- Review Q4 (Riley vs. Morgan) to reinforce the power of structured goal-setting.

## DIFFERENTIATION

### Support

- Provide a SMART goal template with sentence starters for each element.
- Work through Part A Goal 1 together as a class model.
- For prioritization, provide specific criteria cards (urgency, importance, feasibility).
- Allow verbal responses for Part C if writing is a barrier.

### Extension

- Create a 5-year financial plan with interconnected short and long-term goals.
- Research "goal stacking" strategies for achieving multiple goals simultaneously.
- Calculate the compound growth impact of starting savings goals earlier.

## ANSWER KEY

### Part A: Converting Goals to SMART

**Goal 1 Sample:** "I will save \$3,000 for a used car by saving \$250/month for 12 months, tracked in a savings account, funded by working 10 extra hours per month at my part-time job."

**Goal 2 Sample:** "I will build a \$500 emergency fund in 5 months by automatically transferring \$100 from each paycheck to a separate savings account."

*Accept any goals that clearly include: specific amount, measurement method, realistic justification, personal relevance explanation, and deadline with milestones.*

### Part B: Goal Prioritization

*Multiple rankings are acceptable if reasoning is sound. Common approaches:*

**Approach 1 (Security First):** 1. Emergency fund, 2. Concert (deadline), 3. Phone, 4. College. Reasoning: Emergency fund provides financial security foundation before wants.

**Approach 2 (Deadline Driven):** 1. Concert (2 mo), 2. Phone (4 mo), 3. Emergency (6 mo), 4. College (2 yr). Reasoning: Meet imminent deadlines first, then tackle longer goals.

**3.** Answer should reference specific prioritization factors: urgency, importance, feasibility, or sequence.

**4.** Yes—can allocate percentages to multiple goals (e.g., 50% to #1, 30% to #2, 20% to #3) or "cascade" by completing smaller goals first then redirecting funds.

### Part C: Personal Goal Setting

*Responses will vary. Check that goals include all SMART elements and that the "this week" action is specific and actionable (not vague like "think about it").*

#### Check Your Understanding

**1.** C (Achievable)

**2.** Short-term: achievable within 1 year (e.g., phone, emergency fund). Long-term: takes more than 1 year (e.g., car, college savings). Long-term goals require more planning and patience.

Calculation:

$$\$1,200 \div 10 \text{ months} = \$120/\text{month needed}$$

$$\$1,200 \div \$100/\text{month} = 12 \text{ months}$$

**3.** Monthly needed: **\$120** | Time at \$100/month: **12 months**

**4.** Three differences: (1) Riley had a specific amount (\$800) vs. Morgan's vague "some money"; (2) Riley had a deadline and monthly milestones vs. Morgan's no timeline; (3) Riley tracked progress and created accountability vs. Morgan's sporadic, untracked saving.

**5.** Should include: specific goal identification, personal relevance explanation, and realistic assessment of potential obstacles with strategies to overcome them.

## COMMON MISCONCEPTIONS

Misconception	Clarification
"Big goals are more motivating than small ones."	Overwhelming goals can cause paralysis. Breaking large goals into milestones provides regular "wins" that maintain motivation. Riley's \$100/month felt achievable; "save \$800" might have felt impossible.

"I can work on goals when I have extra money."	"Extra money" rarely appears. Successful savers treat savings like a bill—it comes out first ("pay yourself first"), not last. This is why Riley used automatic transfers.
"I need to focus on one goal at a time."	Multiple goals can be pursued simultaneously by allocating percentages of savings. However, having too many active goals can dilute focus—typically 2-4 active goals works best.