

Time Horizon Planning Worksheet

Chapter 5.4: Time is Money – Developing a Savings and Investment Strategy

Understanding Time Horizons

Time horizon refers to how long you plan to hold an investment before you need to access the money. Different financial goals have different time horizons, and your investment strategy should align with these timeframes.

Short-Term Horizon (1-3 years)

Goals with short time horizons require strategies that prioritize:

- Capital preservation (protecting your principal)
- Liquidity (ability to access your money quickly)
- Low risk (minimal chance of losing money)

Appropriate vehicles: High-yield savings accounts, money market accounts, short-term CDs, Treasury bills

Medium-Term Horizon (3-10 years)

Goals with medium time horizons require strategies that balance:

- Growth potential
- Moderate risk
- Some protection against market volatility

Appropriate vehicles: Balanced mutual funds, bond funds, longer-term CDs, some conservative stocks or stock funds

Long-Term Horizon (10+ years)

Goals with long time horizons allow for strategies that focus on:

- Growth that outpaces inflation
- Higher risk tolerance (ability to weather market volatility)
- Compounding returns over time

Appropriate vehicles: Stock funds, index funds, ETFs, growth mutual funds, dividend stocks, some alternative investments

My Financial Goals by Time Horizon

Time Horizon	Financial Goal	Target Amount	Timeframe (Years)
Short-Term (1-3 years)	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
Medium-Term (3-10 years)	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
Long-Term (10+ years)	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____

Strategy Planning for Each Time Horizon

Short-Term Strategy (1-3 years)

My short-term financial goals:

Appropriate investment vehicles for these goals:

Asset allocation strategy for short-term goals:

Asset Class	Percentage	Specific Vehicles
Cash/Cash Equivalents	_____	_____
Fixed Income	_____	_____
Equities	_____	_____
Other	_____	_____

Justification for this strategy:

Medium-Term Strategy (3-10 years)

My medium-term financial goals:

Appropriate investment vehicles for these goals:

Asset allocation strategy for medium-term goals:

Asset Class	Percentage	Specific Vehicles
Cash/Cash Equivalents	_____	_____
Fixed Income	_____	_____
Equities	_____	_____
Other	_____	_____

Justification for this strategy:

Long-Term Strategy (10+ years)

My long-term financial goals:

Appropriate investment vehicles for these goals:

Asset allocation strategy for long-term goals:

Asset Class	Percentage	Specific Vehicles
Cash/Cash Equivalents	_____	_____
Fixed Income	_____	_____
Equities	_____	_____
Other	_____	_____

Justification for this strategy:

Inflation Considerations

How will inflation impact your financial goals?

What strategies will you use to combat inflation for each time horizon?

Remember: Investment strategies should be reviewed periodically as your goals, time horizons, and risk tolerance change. This worksheet provides a starting point for planning, but consulting with a financial professional is recommended before making significant investment decisions.