

# GOALS FOR FAMILY AND BUSINESS FINANCIAL MANAGEMENT

## IDENTIFYING YOUR GOALS

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What are you trying to achieve through your use of time, effort, money, and management skills? Where are you going, how are you going to get there, and when will you arrive at your intended destination? The answers to these questions, and the nature of your intentions for the future, can be found in your choice of goals. Since management is a goal-directed activity (an activity directed toward goal attainment), your goals provide direction to all your management efforts. This circular provides a framework for identifying your most important farming/ranching and family life goals.

### Goal Identification Considerations:

All of us have goals that we work toward over many years -- goals such as the debt-free ownership of a farm or ranch, or "burning" the mortgage on the family home. Some goals will require a lifetime to achieve. Others can be attained in a year, a few years, or a decade. Goals that will be achieved over many years are called long-term goals. Those that can be attained in relatively short periods of time usually are called short-term goals. In farming/ranching, short-term goals focus on hoped for achievements such as renting an adjacent quarter for this year, averaging 160 bushels per acre of corn this year, or attaining a desired level of feed conversion efficiency.

To the extent possible, one seeks to have short-term goals that directly support attainment of long-term goals. When this is true, the stage is set for more effective financial and business management. But, it's rare for all short-term and long-term goals to be mutually supporting. And, goals for farming/ranching may be somewhat in opposition to important short-term family life goals. If you find inconsistencies in your set of goals, don't be surprised. Priority settings activities in Part III (CC 314) provide a means of examining conflict or competition between goals and identifying the ones that you believe are most important or most urgent.

### Goal-Writing Guidelines:

Here are some ideas about writing goal statements that can serve as guidelines as you complete the activities laid out in this circular:

- Goals are written as action statements. "To complete ..." or "To earn ..." or other action statement introduces a typical goal.
- Long-term goals usually specify the time by which the goal is to be attained. "To pay off the real estate mortgage by ..."
- When long-term goals do not specify a time dimension, they usually refer to qualitative aspects of life. "To make it possible for each of our children to secure a college or university degree by providing ..."
- Long-term goals should be believable in that they should describe situations or conditions that you think you can achieve over the years. Avoid, "pie-in-the-sky" long-term goals that you neither believe in nor will find possible to achieve.
- Short-term goals have a time dimension that indicates the time by which the goal is to be attained. "To replace our present tractor with a 125 horsepower model by the end of 19\_\_."

- Short-term goals should be attainable in that they should describe situations that you believe are possible to achieve in the designated time. Avoid "impossible" short-term goals that you know cannot be attained, as they will cause great discouragement.

As you write goal statements you are expressing your hopes and dreams and ambitions for the future by identifying what you want to achieve, how you intend to achieve, and when you intend to achieve each desired outcome.