

Meaningful goals you're excited about achieving: Now, *that's* smart!

Challenge 1-A: My SMART Goals

Take what you've learned about SMART goals and create two or three of your own.

DECIDE TO SUCCEED

Making decisions about money can be hard. Sometimes you have to sacrifice what you want to have now for what you really need—but can't have—until later. Sometimes the best choice for you will disappoint a friend. And if you're in a relationship, your spending priorities might change so you put off focusing on your own goals. There's rarely a perfect solution.

“The indispensable first step to getting the things you want out of life is this: Decide what you want.”

~ Economist Ben Stein

And when you can't count on a steady income stream, making decisions about money can be even harder.

All you can do is make the best decision you can with the information you have at the time.

There's a simple process to help you make the best possible decision. You may be using it already, without even being aware of it. But once you knowingly put that process into use, you'll find it even easier to make better decisions.

Let's walk through the process using a fairly easy decision. It's time for Selena to upgrade her cellphone. How does she DECIDE on upgrades? She fills out the following chart:

Action Steps	Selena's Results
<p>1. Define your goal. What do you want to achieve?</p>	<p><i>Upgrade to a new cellphone this week and spend less than \$100.</i></p>
<p>2. Establish your criteria. What are the features you absolutely must have? And which ones would you like to have?</p>	<p><i>It must be the same wireless network I use now and have a camera and slide-out keyboard. I want it to be blue. I want to be able to download a lot of apps.</i></p>
<p>3. Choose two to three good options. Eliminate any options without your must-haves and choose a couple of the remaining options.</p>	<p><i>After eliminating a bunch of models, there are three I like that either are blue or have a lot of apps.</i></p>
<p>4. Identify the pros and cons. If you have a lot of criteria and options, you may want to make a chart to quickly compare the features of each option.</p>	<p><i>The blue one has the fewest number of apps available, and I can't change that. But I could buy a blue case for it. Of the other two, the less expensive one actually has better consumer ratings.</i></p>
<p>5. Decide what's best. Which option best matches your criteria?</p>	<p><i>I'm going with the less expensive, higher-rated black phone with a lot of apps!</i></p>
<p>6. Evaluate the results. Afterward, note what you do and don't like about your choice so you can add that to your criteria for next time.</p>	<p><i>Love it! (But next time, I'd really love a blue one)</i></p>

One decision will spark a chain of additional decisions to be made. For Selena and her cellphone, the other decisions might include where to buy it and which accessories to get. For each new decision, you simply start the DECIDE process all over again.

THE PLOT THICKENS

Selena's decision was fairly easy because she was choosing between similar items. Economists call what you give up the **opportunity cost** of the decision. For Selena, all she gave up was the phone's color, which she realized she could take steps to fix. Decisions are tougher when the choice involves giving up something more important.



Michael also needs a new cellphone. His carrier will give him a \$50 credit toward a new model. If he wants a more expensive phone, he has to pay the difference. He's torn between an OK phone for \$49 and the one he really wants, which costs \$150.

He has the cash because he just got \$100 for his birthday. But he'd like to spend that money on some new clothes. If he puts aside \$25 every other week, it will take two months for him to save up \$100 for the more expensive phone.



Should Michael buy the nicer cellphone or the new clothes? Or, are there other alternatives?

Challenge 1-B: My Decision

Use the DECIDE strategy for a decision you're facing. You may want to ask your friends and family for their input—to make sure you consider everything! Go online (www.hsfpp.org) to download a guide to help you DECIDE.