

Five ways to keep your financial resolutions this year

Setting a goal for the New Year? Make it stick to help you secure your financial future.

It's that time of year when we set new financial goals – or revisit old ones – and promise ourselves we will accomplish them. But many of us struggle to stick to our resolutions. A study of individuals who set a New Year's resolution found that less than half (46 per cent) reported continuous success at six months.¹

But you don't have to give up just after you've decided to turn over a new leaf. Here are some practical ways to help you adhere to your resolution.

1. Choose an attainable goal

It's good to be ambitious, but you are likely to have a better chance of keeping your resolution if you have a smaller, attainable goal.

Using the well-established SMART formula may help you create such a goal. SMART is used to write management targets and objectives, but it could also work for you. It stands for:

- **Specific** – make your goal as clear as possible. For example, instead of just intending to boost your superannuation fund, set an amount you want to voluntarily contribute for the year.
- **Measurable** – if your financial goal is specific, most likely it is measurable too.
- **Achievable** – choose a goal that you can reach in the foreseeable future. Instead of aspiring to save \$1 million by the time you turn 40, why not aim to set aside \$1,000 a month, giving you \$12,000 at the end of every year?
- **Relevant** – ensure you really want this goal and that it would benefit you.
- **Time bound** – set a timeline for achieving your target.

2. Have a plan

Create a plan that helps you take small but regular steps toward your financial goal. The key is to set specific milestones and a timeframe, monthly or quarterly, for each one. It may be a good idea to consult your professional financial adviser on setting a plan for your unique financial situation and goal.

3. Tell others about your resolution

Tell family members or friends about your resolution or post it on social media. By announcing your goal, you might feel more responsible for attaining it.

4. Track your progress

Regularly record and analyse your progress against your milestones. It may also help to get your financial adviser to check on your progress every so often.

5. Enjoy the process

If you enjoy taking steps to reach your goal, it may be easier to stick to your financial resolution. A study found that when people received immediate rewards, such as enjoyment in doing their tasks, they were more likely to persist to meet their New Year's resolutions. So give yourself a small reward every time you reach a milestone.

¹ Norcross, JC, Mrykalo, MS & Blagys, MD, April 2002, 'Auld Lang Syne: Success Predictors, Change Processes and Self-Reported Outcomes of New Year's Resolvers and Nonresolvers', Journal of Clinical Psychology. Accessible at: https://www.researchgate.net/publication/11443909_Auld_Lang_Syne_Success_Predictors_Change_Processes_and_Self-Reported_Outcomes_of_New_Year's_Resolvers_and_Nonresolvers.

Whether you want to boost your savings or retirement fund, or you want to start investing, your financial adviser may assist you in planning to execution helping you to stay on track to achieve your resolution – so instead of feeling guilty, you'll feel great.

Seek advice

Getting professional financial advice may help you optimise your windfall. Your adviser can review your finances and work with you on a financial plan based on your needs and priorities, to help you achieve your goals.