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Goal-setting When The Goal is Buying a Home

Written by Jaymi Naciri on Friday, 06 June 2014 12:27 pm

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Saving for a down payment can seem like an overwhelming task if you're on a tight budget. It's just plain not easy to make a plan, stay on that plan no matter what, stay motivated even when your plan goes temporarily awry, and - finally - achieve your desired result. So how do you get from "Broke wannabe homebuyer" to "Gimme those keys!?" It's simple. Just set a goal.

"The idea of goal setting involves establishing specific, measurable, achievable, realistic and time-targeted ([S.M.A.R.T](#)) goals," said [Wikipedia](#). "On a personal level, setting goals helps people work towards their own objectives."

So how does that relate to your [down payment](#)? It's no different than setting a goal to lose weight or get a college degree or excel at your job. They all take determination. But when it comes to buying a home and getting together the money required, there are tricks and tips you can use to make it easier and make that goal achievable.

1. Make a plan and write it down

Get out a piece of paper or type into your phone/computer a definitive statement that encapsulates your down payment goal - as long as it's in a place you can easily access it. Then break down that goal by the amount you need to save weekly or monthly and a goal date for being able to buy that house. The simple act of putting your plan down on paper (or on screen) makes it real. Take out the piece of paper or pull up the email you wrote to yourself whenever you need a pick-me-up.

Huffington Post recommends writing goals down in a brand-new notebook or keeping them "in [Evernote](#) (download on your desktop and the app for your phone and tablet) so that you can reference them weekly."

2. Make some budget cuts

It may not be easy. But saving for something as important as a new home is worth it. Look over your monthly bank statements for areas to cut back. Take out any set monthly expenses—rent or existing house payment, car payment, and anything else that can't change.

Then look at car insurance, health insurance, and anything else that could change if you made changes to your coverage.

Then consider things like cell phone bills, cable, internet service. If you're not using all your data on your cell phone plan, that may be a place to trim. Perhaps you don't need such fast DSL service. Every little bit helps.

And here's one that really hurts: cutting out your daily Starbucks latte. I know. We're crying with you.



Can't go cold turkey? Cut back from five lattes a week to two. You just saved over \$500 in a year.

3. Let someone else make some cuts

If you've gone through your budget carefully and don't see any (or many) easy places to cut, let a best friend or close family member take a look at your budget. They might see some things you don't, or might be able to ask some hard questions you aren't willing to ask yourself (maybe you don't need EVERY SINGLE MOVIE CHANNEL DISH OFFERS?!).

Cutting back on your cable or satellite TV doesn't seem like much. But paying \$30 less per month less could save you \$360 in a year. And you can always go to their house to watch Game of Thrones while you're in savings mode.

4. Know how to bounce back

So you went out to lunch with a friend and the next thing you know, you're at the mall dropping a couple hundred dollars on clothes. Or you went to the sporting goods store to buy a gift and walked out with \$200 in non-returnable camping equipment.

Oops.

Go ahead and feel the pain of the buyer's remorse. Slap yourself on the hand. And then tell your bad-influence friend they aren't allowed to come around again until you're a homeowner. After all, you need somewhere to place the blame. And now you can move on and get back on your plan.

5. Look for ways to make extra money

Do you have skills you could use to bring in a few bucks? Perhaps you can put your Spanish fluency to good use and tutor high school kids. Maybe you can take that piece of furniture you refinished and turn it into a weekend business, hitting early-morning garage sales on weekends and selling your pieces on Craigslist.

6. Cook your dinner

Eat out five nights a week now? Cut back to two. If you're not a fan of cooking, sub in easy-to-make or already-made meals on the other three nights. Grab a roasted chicken from the

supermarket plus a bagged salad, or a ready-to-serve meal from a specialty market like Trader Joe's or Costco.

7. Not ready to give up your restaurant habit?

Those coupon packs that come in the mail actually have some useful stuff inside, including restaurant discounts. If you can save 20 percent off your bill a couple times a week, you won't feel so guilty for dining out.

Another great way to save when eating out is by timing it to nights when restaurants have specials, like kids' eat free nights. Googling "kids eat free" should yield list of participating restaurants in your area.

8. Don't become a hermit

Cutting back doesn't have to mean locking yourself in your house, never using any gas, never going to any movies or seeing your friends socially.

But make sure your friends and family know about your plan so they can support you while you're saving. And you can involve them in your plan by enlisting their help to plan fun and free (or cheap) get-togethers.

9. Channel Stuart Smiley

You don't have to stand in the mirror and repeat "I'm good enough. I'm smart enough. And doggone it, people like me" over and over (but it would be [hilarious](#) if you did). By simply staying positive, you can keep on keeping on. If you believe at all in the power of positive thinking, this is the time to act on it. And if you don't, fake it!

10. Keep your eye on the prize

When everyone runs off to the Caribbean for their summer vacation, you're probably going to want to chuck it all. But remember that the Caribbean isn't going anywhere. You can luxuriate on an island with turquoise water lapping at your feet while you drink something frothy out of a pineapple next year - after you've closed escrow.

And it'll taste so much better with the jangle of a new set of house keys in your pocket.



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