



Four mistakes to avoid when setting your goals

Wall Street legend Ray Dalio is famous for founding the world's largest hedge fund, Bridgewater Associates. But he might be even more famous for the management style he calls "radical transparency."

At his firm people can expect to receive immediate, honest feedback on their work. And they are, in turn, expected to speak frankly about the performance of their peers, managers, and even Dalio himself.¹

It's not always comfortable, but radical transparency has enabled Bridgewater Associates to identify and solve problems quickly, and develop highly successful employees. Dalio has written extensively on what he's learned about personal achievement, including the fundamental importance of choosing the right goals.

In his book *Principles: Life & Work*, he writes, "Your choice of goals will determine your direction. There is always a best possible path. Your job is to find it and have the courage to follow it."²

It's easy to find advice on how to *achieve* your goals. But the biggest problem for many people comes one step earlier. They have trouble choosing the *right* goals in the first place.

Four pitfalls to avoid when choosing goals

According to Dalio, these are the four biggest mistakes people make when setting their goals.

1. Becoming overwhelmed with possibilities

Saying "yes" to a major goal will always involve saying "no" to lesser priorities—even things that are worthy in themselves. Dalio writes, "Choosing a goal often means rejecting things you want in order to get things that you want or need even more."

2. Confusing a goal with a desire

Dalio states the difference this way: "A proper goal is something that you really need to achieve. Desires are things that you want." It's possible to align your goals and desires, but you must always remember which is more important.

3. Focusing on the wrong rewards

Don't mistake the trappings of success for success itself. Dalio observes that people who obsess over a \$1,200 pair of shoes or a fancy car are very rarely happy because they don't know what they really want, and so what will really satisfy them.

4. Not dreaming big enough

What you think is attainable is based on what you know right now. That knowledge can and will change. Dalio writes, "If you limit your goals to what you know you can achieve, you are setting the bar way too low."

If you're constantly changing your goals, you have a much lower chance of attaining any of them. But if you can choose long-term goals that you can work towards year in and year out, you have a much better chance of reaching them, no matter what obstacles you find in your way.

As you pursue your goal of a fully funded retirement, it's important to know the big "why" that motivates you to be disciplined now for the sake of your future self, especially as periods of market volatility can make you feel like you're losing ground. So remember that your trusted advisor is there to help you persevere when others are throwing in the towel.

Sources:

1. <https://www.cnbc.com/2017/09/12/bridgewater-ray-dalio-the-leadership-strategy-behind-my-success.html>
2. <https://www.cnbc.com/2018/08/15/bridgewater-ray-dalio-quit-these-bad-habits-to-achieve-your-goals.html>

Important note:

This article is provided for use by the intended audience only. This content has not been reviewed or approved by any state compliance offices or FINRA. PCS Retirement, LLC, Aspire Financial Services, LLC and their affiliates are not liable for the accuracy or use of this information. This information should not be used as a primary basis for investment decisions and it is not intended to serve as investment advice or fiduciary advice. Statements attributed to an individual represent the opinions of that individual as of the date written and do not necessarily reflect the opinions of PCS Retirement, LLC, Aspire Financial Services, LLC or their affiliates.