

PERSPECTIVES

David Booth Shares the Value of Saving for a “Fuzzy” Goal

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Some people set concrete investing targets—like a make-or-break dollar amount they must reach before considering retirement. These are folks who dream of that house by the beach or traveling around the world.

This approach can be a powerful incentive to do the hard work of saving for years, but sometimes it can lead to disappointment. That could be because people don't reach their stated goal or because their lives change so much that when they find themselves able to do the thing they've been planning for, they no longer want to.

That's why if someone tells me they want to save money to buy a beach house for when they retire, I suggest they might actually want to think about saving enough money to have the *ability* to get that beach house. That's what I call a “fuzzy goal.”

Fuzzy goals represent the best goals you can come up with at any given time. Built into this idea is the recognition that those goals will probably evolve. The reality is that almost no one I know had one goal at the beginning of life and never changed it. Goals change throughout our lives, and we go through many transitions. We probably all know someone who has gone through a dozen major ones over the course of a lifetime. People crave predictability, but if life were totally predictable, where would opportunity come from? Without uncertainty and the prospect of change, we'd all be locked into whatever seemed like the best choice early on, with no room for growth or discovery.

A fuzzy goal recognizes that your fundamental values may stay consistent, but still allows for the expression of those values to shift over decades. For example, you might always value security, but what security looks like at 25 versus 45 versus 65 may be different. The couple planning to retire at 65 might face health challenges that change everything at 55. That's how life works.

When you save for the ability to be able to do something, rather than for a specific outcome, you're less likely to feel like you failed if your priorities change. The same principle applies broadly: Save enough so you have the ability to stop working, live in Europe, support your children's education, or weather unexpected health challenges.

The ability to choose becomes the real goal.

This thinking may change how you approach investing. Instead of optimizing portfolios for hitting specific numbers by specific dates, focus instead on building robust financial strength that can adapt as you evolve.

Fuzzy goals acknowledge something we all know but often forget: We can't predict our future selves. The goals that seem clear today might look completely different in a decade. But the financial capacity to pursue those evolving goals? That's what sensible planning prepares you for.

So while we can't eliminate uncertainty, we can build enough financial strength to navigate uncertainty. That's how you create a plan you can live with, whatever life brings.

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