



# Where's my *money* going?

## Your budget can tell you

Budgeting is a simple way to see how you're spending your money, so you can live within your means—and find more money to put away toward your future. Here are some important steps to consider:

### **1 Set your goals.**

You likely have short-term goals—such as a family vacation or paying off your credit cards—and long-term goals—such as traveling the world in retirement. Setting goals can give you the needed incentive to create and stick to a budget. So, think about it—what do you want to save for?

### **2 Understand your monthly income.**

How much do you earn every month? Does it vary based on how many hours you work? Make sure you understand how and when your cash is flowing in. Your fixed income—or the amount you know you're getting every month—should be the basis of your budget and how much you have to spend.

### **3 Look at your expenses.**

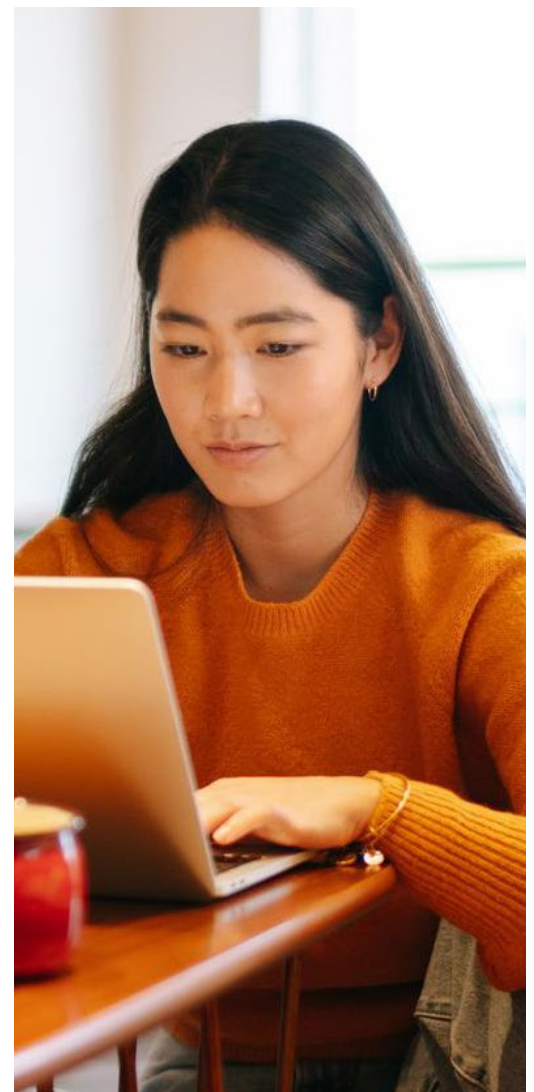
Track your expenses for a month to see where your money is really going. Group your spending into essential items, such as rent/mortgage, utilities, groceries, and discretionary items, which include eating out, entertainment, and travel.

### **4 Compare your income to your expenses.**

If you're spending less than what you earn, you're growing your savings. If not, you're creating debt and should look for ways to cut your expenses. Create a monthly budget to pay all your fixed expenses first, and then decide how much money you want to spend on all the other categories.

### **5 Stay focused.**

Think about how your budget aligns with your personal goals and make adjustments, if needed. Monitor your progress every month by comparing your spending to your income to make sure you're on track to meet your goals.



**Take action! Create a budget using the budgeting worksheet on the reverse side.**

# Easy budget worksheet

Category	Source	Monthly amount	
<b>Income (what comes in)</b>			
<b>Work</b>	Paycheck	+\$	
	Bonus/commission	+\$	
<b>Other</b>		+\$	
		<b>Income total</b>	
+\$			
<b>Expenses (what goes out)</b>			
<b>House</b>	Mortgage/rent	-\$	
	Insurance	-\$	
	Maintenance/homeowner's association	-\$	
	Utilities (e.g., gas, oil, electricity, and water)	-\$	
	Lawn care	-\$	
	Trash/snow removal	-\$	
<b>Car</b>	Monthly payment	-\$	
	Insurance	-\$	
	Gas	-\$	
<b>Health</b>	Insurance (medical, dental, vision, etc.) <sup>1</sup>	-\$	
	Out of pocket (e.g., doctor visits, prescription drugs)	-\$	
	Gym/health club	-\$	
<b>Personal</b>	Phone (home and cellular)	-\$	
	Internet	-\$	
	Cable TV	-\$	
	Life and other insurance <sup>1</sup>	-\$	
	Pets (food, medical, dog walking, etc.)	-\$	
	Charities	-\$	
	Groceries	-\$	
	Clothing	-\$	
	Laundry/dry cleaning	-\$	
	School tuition/day care/adult care <sup>1</sup>	-\$	
	Travel/hobbies/entertainment/restaurants	-\$	
	<b>Savings</b>	Retirement plan savings, health savings account, etc. <sup>1</sup>	-\$
		IRA, emergency fund, bank savings account, etc.	-\$
<b>Other</b>		-\$	
		<b>Expense total</b>	
		-\$	
<b>Subtract "Expense total" from "Income total"</b>		-\$	



<sup>1</sup> If this expense/savings comes directly from your paycheck through automatic payroll deductions (e.g., through employer-provided benefits), enter the amount in the "Monthly amount" column, but do not include it in the "Expense total" box. This way, you will not "double count" this amount.

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