Having control over your money is important, both for your financial well-being and for your peace of mind. Creating a budget can help you feel more in control of your finances and allow you to save more money for your short- and long-term goals. The following strategies can help you develop your personal budget.

Set your goals
Make a list of all the financial goals you want to accomplish over the short and long term. Ask yourself basic questions about why those goals are your priorities, how you are planning to achieve them and how quickly you need to see the results. Short-term goals should take no longer than a year to achieve. For example, you may want to pay off your credit card debt or save up for holiday presents. Long-term goals may take years to reach. A typical example would be saving for retirement or your child's education. Don't think that your goals have to be set in stone, though. You can update your list whenever it's needed.

Know your net income
The first step of creating a budget is to identify the money you have coming in — otherwise known as your income. Keep in mind, however, that it's easy to overestimate what you can afford if you think of your total salary as what you have to spend. Remember to subtract your employer deductions for social security, taxes, 401(k) and flexible spending account allocations when creating a budget worksheet. Your final take-home pay is called net income and that is the number you should use when creating a budget.

Make your plan
Start by dividing your net income into two broad spending categories: fixed expenses and variable expenses. Some of your expenses, such as your mortgage, are fixed because they stay the same each month. Other expenses, such as gas for your car or entertainment, are variables that change from month to month.

For both fixed and variable expenses, you'll want to record how much you spend on each monthly. You may consider using budget-building software tools or the Household Budget Worksheet to account for and categorize your monthly spending.

You may also want to divide your spending into three basic categories: needs, savings and wants.
Needs include fixed and variable costs that are essential to your daily well-being. Savings include your emergency fund, retirement accounts, etc. Wants covers everything else.

**Track your spending**
Not sure how much you are spending on variable expenses like groceries or dining out each month? These expenses can be difficult to track. You may want to try using a spending journal to help you do some detective work for this type of spending. Find a small notebook and use it to write down each purchase you make every day for a month. Other options include saving all receipts and adding them up at the end of the month or checking your online banking record if you use a debit or credit card for most purchases. Once you have a good estimate of these expenditures each month, incorporate it into your Household Budget Worksheet.

**Personalize your budget**
The great thing about creating a budget is that you can customize it to your own needs. After you’ve determined what to set aside for your fixed expenses, you can alter the amount earmarked for variable items. The variable category gives you more wiggle room in how much you decide to spend where, allowing you to prioritize as you see fit. For example, you might decide you can spend less on clothes each month in order to give yourself more money to save toward buying a new TV.

**Have a monthly check-in**
Take a look at your spending every month and compare it to your Household Budget Worksheet to see how things are going. If you find that you’re often going over-budget in some areas out of necessity, you should consider cutting elsewhere to keep things under control.

4 easy steps to creating a personal budget:

1. **Record your daily spending** with anything that’s handy, whether it’s with a pen and paper or an app on your smartphone. Here’s a tip: Bank of America has a financial planning tool called My Portfolio® that you can use to track all your accounts. To check it out, visit bankofamerica.com/myportfolio.

2. **Plan for next month’s expenses and income** so you don’t get taken by surprise. Make sure to check in with your significant other before making the list final.

3. **Look for ways to spend less**. Small savings can add up to a lot of money. Adding one small saving to your budget at a time can surprise you with how much extra money you’ve accumulated. For example, try shopping at a cheaper grocery store, buying generic brands or experimenting with cooking at home. Visit bankofamerica.com/bankatwork for tips and more information about saving and budgeting.

4. **Find ways to boost your income**. Have a hobby or a talent? Anything from handiwork to writing or teaching an instrument can be a way to earn extra money.