

Net Worth Worksheet

Setting financial goals and determining progress is difficult without a tool. A net worth statement or personal balance sheet is a very useful financial planning tool. It is a snapshot of what you own, measured against what you owe. It can be the start of the financial planning process, or it can help you reflect on the direction you have taken in buying, investing, or insuring against financial risks. It is a record that should be updated on a regular basis—at least annually—and kept with your important papers.

Assemble Your Records

The most difficult part of completing a net worth statement initially is getting all your financial records together. You will need current statements from checking and savings accounts, CDs, credit cards, store accounts, loan statements, investment or brokerage accounts, insurance policies with a cash value, and information about the current value of employer-sponsored benefits such as pension plans, profit sharing or 401(k) plans.

List Your Assets

Start by listing all your assets—what you own. While the values of your assets will fluctuate, value them all on the same date and put that date on your balance sheet.

Begin by listing the value of all your liquid or cash assets like cash on hand and money in checking and savings accounts. Invested assets include certificates of deposit, mutual funds, and marketable securities like stocks and bonds. Include assets in taxable accounts as well as those in tax-deferred accounts such as IRAs and other retirement savings plans including those provided by your employer.

Use assets are your personal property, vehicle, furnishings and home if you own one. They are included at their current market value, not what you paid for them. If you were to sale these assets today, what would you get for them? Some assets like a home or jewelry may appreciate, but most will depreciate or lose value from the original purchase price.

Identify Liabilities

Liabilities are what you owe—usually in the form of outstanding bills and debts.

Short-term debt includes current unpaid bills as well as the balance owed on any installment loans, car loans, credit card accounts, loans against life insurance polices, and any other secured or unsecured debt that is less than five years in length. Long-term debt includes a home mortgage, home equity loans, and any other debt that will take longer than five years to pay.

Subtract Liabilities from Assets

To determine your net worth, subtract your total liabilities from your total assets. The result can be a positive or negative number. Use this information as the base for financial planning decisions.

Ask your self these questions:

- ◆ Do you have adequate emergency funds?
- ◆ Did you discover any surprises, like excess debt or forgotten assets?
- ◆ Is your insurance coverage adequate to cover the value of your property?
- ◆ Are your invested assets working for you to increase your net worth?
- ◆ How does your debt load compare to your income?
- ◆ Are you building financial resources to help you achieve your long-term goals?

Net Worth Worksheet

Date: _____

ASSETS -

Cash/cash equivalents:

Cash on hand _____
 Checking account _____
 Savings account _____
 Money market accounts _____
 Life insurance cash
 surrender _____
 Other _____

Invested assets:

Certificates of Deposit
 (CDs) _____
 Stocks and bonds _____
 Mutual funds _____
 Pension plan equity _____
 Individual Retirement
 Accounts (IRAs) _____
 Tax deferred accounts,
 401(k) or 403(b) plans _____
 Investment real estate _____
 Annuities _____
 Other _____

Use Assets¹:

Home and other real
 estate _____
 Vehicles _____
 Furnishings , jewelry, art _____
 Sports or hobby
 equipment _____
 Other _____
 Other _____

Total Assets _____

DEBTS/LIABILITIES -

Short-Term:

Current unpaid bills _____
 Credit card debt _____
 Installment debt _____
 Other _____

Long-Term:

Mortgage _____
 Home equity loan _____
 Student loan _____
 Loan against life
 insurance policy or
 401(k) _____

Total Debt/Liabilities _____

TOTAL ASSETS	\$ _____
<i>minus</i>	
TOTAL LIABILITIES	\$ _____
<i>equals</i>	
NET WORTH	\$ _____

¹ List current market value, not purchase price.