

Tool: Net worth

Net worth is defined as the value of all personal assets minus the balance owing on all liabilities. Use this chart to determine your personal net worth.

Assets		Liabilities	
Cash on hand	\$	Mortgage loans	\$
Checking account	\$	Automobile loans	\$
Savings account	\$	Personal loans	\$
Life insurance cash value	\$	Student loans	\$
Stocks and bonds	\$	Credit cards	\$
Retirement accounts	\$	Department store cards	\$
Real estate	\$	Unpaid taxes	\$
Automobiles	\$	Collection assets	\$
Personal property	\$	Other	\$
Total assets	\$	Total liabilities	\$

Analyzing net worth:

Total assets – Total liabilities = \$

Result	Possible solutions
If net worth is greater than zero	If you sell your assets to pay off all your liabilities you will have assets left over. <i>This is good.</i>
If net worth is equal to zero	If you had to sell your assets to pay off all your liabilities, you will not have any money left over (break-even). <i>This is neutral.</i>
If net worth is less than zero	If you had to sell your assets to pay off all your liabilities, you will need more money to do it. <i>This is not good.</i>

What amount would your net worth have to be in order to give you a sense of personal financial security?