

# What is a Net Worth Statement?

A net-worth statement is a list of everything you **own (assets)** vs. everything you **owe (liabilities)**. You start by adding up all of your assets (homes, cars, boats, jewelry, checking & savings accounts, retirement accounts, businesses, etc.), and then subtract any liabilities (mortgages, credit card debt, student loans, personal loans or lines of credit). ***The result is your current Net Worth.***

## ***So, why is this important?***

Besides your family budget, a net worth statement is one of the first steps to any successful financial plan. It helps you to see a clear snapshot of your current financial situation all on one (or two) pages.

Typically, one spouse or the other is responsible for handling the family finances. If math isn't your strong suit, or if the sheer thought of paying bills makes you sick to your stomach, you should at least be informed of any assets and liabilities you have. Communication is key when it comes to staying on track for your finances.

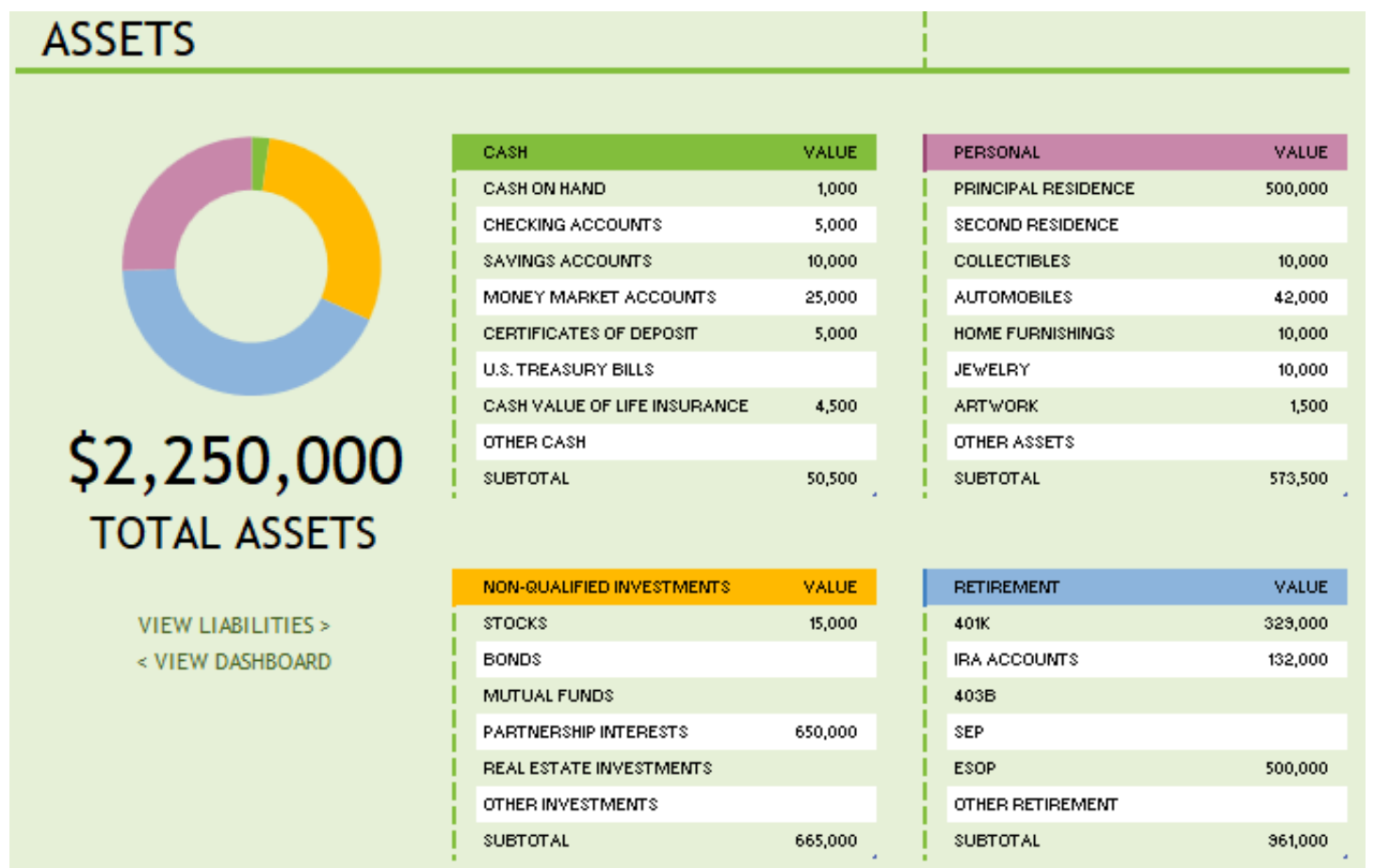
***Luke 14:28 says, "Suppose one of you wants to build a tower. Won't you first sit down and estimate the cost to see if you have enough money to complete it?"***

In terms of financial planning, you can't know how far you have to go if you don't know where you start. Maintaining and updating your net worth will help you determine if you're on track for meeting your financial goals.

Furthermore, in addition to your debt-to-income ratio, some lenders will use this as a part of their loan approval process.

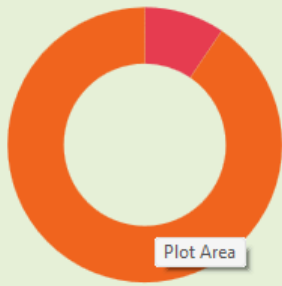
Lastly, should anything happen to you or your spouse, it is important that you have a list of what you own vs what you owe, as your executor will need this to pay any debt obligations and to distribute any remaining funds to your heirs upon your passing.

The following is a sample net worth statement:



## LIABILITIES

## NET WORTH SUMMARY



**\$276,700**

**TOTAL LIABILITIES**

UNSECURED	OWE
CREDIT CARDS	3,500
CHARGE ACCOUNTS	1,200
STUDENT LOANS	17,500
ALIMONY	
CHILD SUPPORT	
TAX LIABILITY	4,000
OTHER UNSECURED 1	
OTHER UNSECURED 2	
SUBTOTAL	26,200

SECURED	OWE
HOME MORTGAGES	220,000
HOME EQUITY LOANS	
AUTO LOANS	
RV LOAN	21,000
BOAT LOAN	8,000
APPLIANCE LOANS	1,500
FURNIATURE LOANS	
OTHER SECURED LOANS	
SUBTOTAL	250,500

## NET WORTH SUMMARY

**\$1,973,300**

**NET WORTH**



**\$2,250,000**

**TOTAL ASSETS**

<span style="color: green;">■</span>	CASH
<span style="color: yellow;">■</span>	INVESTMENTS
<span style="color: blue;">■</span>	RETIREMENT
<span style="color: purple;">■</span>	PERSONAL



**\$276,700**

**TOTAL LIABILITIES**

<span style="color: pink;">■</span>	UNSECURED
<span style="color: orange;">■</span>	SECURED

You can download the full excel document from my website: [www.thechristianmoneymom.com/downloads](http://www.thechristianmoneymom.com/downloads) and use it to complete with your spouse.



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