

Think You're Worth a Million Bucks?

Do you know what makes up personal wealth? Only 49% of Americans polled in two recent surveys* answered correctly that net worth consists of assets minus debts. And only 48% said they knew approximately what their personal net worth was.

Why is it important to run the numbers? Knowing your net worth — the value of what you *own* minus what you *owe* — can give you an accurate picture of your finances. It shows you whether you're on track to reach your goals or whether you need to make some changes.

A Simple Calculation

It's not difficult to figure your net worth. You simply add up the value of all your assets — home, investments, cash, etc. — and subtract all your liabilities — loans, mortgages, credit card debt, etc. — from that amount. The number you get is your net worth as of the date you made your calculations. If your assets aren't significantly greater than your debts — or if your debts outweigh your assets — you'll want to take steps to reverse the trend.

Not a One-time Thing

Net worth is always changing based on your investments' performance, fluctuating housing values, increased or decreased debt, and other factors. Calculating your net worth every year can help you chart your financial progress and allow you to adjust your saving and investing strategies, if necessary. Your financial professional can help.

Use the accompanying worksheet to estimate your net worth.

*Surveys commissioned by the Consumer Federation of America and the Financial Planning Association

Your Net Worth

Assets	Current Value
Certificates of Deposit, Checking, Savings, Money Market Accounts, and Other Cash	\$ _____
Stocks, Bonds, and Mutual Funds	_____
Mortgages and Other Debts Owed to You	_____
Annuities	_____
Employer-sponsored Retirement Plan	_____
Individual Retirement Accounts	_____
Personal Residence	_____
Vacation Home/Time Share	_____
Other Real Estate	_____
Business or Partnership Interests	_____
Life Insurance	_____
Automobiles and Recreational Vehicles	_____
Jewelry	_____
Collectibles	_____
Other (furniture, personal belongings, etc.)	+ _____
TOTAL ASSETS	\$ _____
Liabilities	
Mortgage(s)	\$ _____
Home Equity Loan(s)	_____
Other Real Estate Debt	_____
Auto Loan(s)	_____
Education Loan(s)	_____
Personal Loan(s)	_____
Credit Card Debt	_____
Pension Plan Loan(s)	_____
Other (alimony/child support payable, outstanding bills, etc.)	+ _____
TOTAL LIABILITIES	\$ _____
TOTAL ASSETS	\$ _____
- TOTAL LIABILITIES	(_____)
= NET WORTH	\$ _____

(positive or negative)

