



# Charting Your Course to Home Ownership

## Managing Your Family Finances: Determine Your Net Worth

### How Much Are You Worth?

A net worth statement is a “snapshot” of where you are now on your financial journey. It’s a statement of how much you own and how much you owe. Your net worth is determined by subtracting all you owe (your debts or **liabilities**) from all you own (your **assets**). Assets include bank accounts, investments, retirement funds, valuable personal items (vehicles, furniture, and jewelry), real estate and cash value of life insurance. The difference between what you own (assets) and all that you owe (liabilities) is how much you are worth – your **net worth**.

Information about your net worth is required when applying for a loan (such as a mortgage), when determining insurance needs and when planning your financial future. Your net worth gives you or a potential creditor a picture of your overall financial standing.

This worksheet is designed to help you prepare a statement of your financial position and to calculate how much you are worth. It will help you assemble the information needed to analyze your financial situation and make changes, if needed to prepare for the mortgage process.

Follow these steps to determine your net worth:

1. Insert the figures for all items listed under cash and cash equivalents. These are funds that you can count on now or that can easily be converted to cash.
2. Figure and record the market value of all other possessions listed in the investment, real estate, personal property and other categories. Time will be needed to convert these assets into money. Always calculate the market value –the price you would receive now if you were to sell.
3. Total all of your assets.
4. Write down all that you owe – current (short- and intermediate-term) and long-term debts.
5. Total all of your liabilities.
6. Subtract your total liabilities from your total assets. This gives your net worth and shows how much you are worth at a specific point in time. Date the form.



# Net Worth Statement

## Assets *(What You Own)*

What is owned?	\$ Mine	\$ Yours	\$ Joint
<b>Cash or Cash Equivalents</b>			
Cash on hand			
Checking accounts			
Savings accounts			
<b>Investments (Market Value)</b>			
Certificates of Deposit			
Cash value of life insurance			
Stocks, bonds, mutual funds, etc			
Annuities, IRAs			
401(k), 403(b), 457 plans			
Pension plan			
Other securities			
<b>Real Estate/Property (Market Value)</b>			
Home			
Land			
Other real estate			
<b>Personal Property</b>			
Automobiles			
Recreational Vehicle			
Boat			
Furniture and appliances			
Musical Instruments			
Collections (art, antiques, etc.)			
Jewelry			
Other			
<b>Other</b>			
Inventory value of farm or business			
Debts owed to you			
Other			
<b>Total Assets</b>			

## Liabilities (What You Owe)

What is owed?	\$ Mine	\$ Yours	\$ Joint
<b>Current Debts*</b>			
Utilities			
Medical			
Credit cards			
Department store cards			
Back taxes			
Legal			
Other			
<b>Mortgages and Liens*</b>			
Home			
Land			
Other			
<b>Loans*</b>			
Automobile			
Recreational vehicle, boat			
Bank/finance company			
Education/student loans			
Loan on life insurance policy			
Loans on investments			
Personal loans (from family or friends)			
Other			
<b>Other</b>			
<b>Total Liabilities</b>			

\*Write the interest rate you pay next to each liability. Consider paying off the ones with the highest interest rate.

# Net Worth

How much am I worth?

**Total assets minus total liabilities = Total net worth**

**Total Assets** \$ \_\_\_\_\_

**- Total Liabilities** \$ \_\_\_\_\_

**= Net Worth** \$ \_\_\_\_\_

**Date** \_\_\_\_\_

Adapted from: Reichel, C. (1998). *Your Path to Home Ownership*. Baton Rouge, La.: LSU AgCenter.

**Additional Resources:**

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