

My Net Worth

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The net worth statement is a money management tool that allows you to determine your wealth. Your wealth, or net worth, is simply what you own (the market value of your assets) minus anything you owe (any liabilities).

Use the instructions below along with the Net Worth Worksheet to develop your net worth statement.

Instructions

Step 1: Calculate the value of your assets.

Many of us have assets that have monetary value. The following list will give you an idea of the types of assets to consider in calculating your net worth statement and where you can go to find the possible value of each asset.

Your home. The market value of your home is an estimate of how much it should sell for under current market conditions. Market values for homes vary according to location, what comparable homes have sold for in your neighborhood and what the local housing market is doing. Find the sale prices for three recently sold homes similar in size and features to yours in your local area. Add these together and divide by three. This would give you an approximate value of your home in the current market.

Your car. Kelley Blue Book continues to be a trusted resource to determine the value of the car you own. Visit www.kbb.com and click on My Car's Value to get started.

Cash value of whole life insurance policy. This information can be found on a payment schedule printed with your insurance policy or from your insurance agent.

Annuities. Values of annuities are available in annual reports, earnings statements or directly from your broker or insurance agent.

Consumer goods. Goods like major appliances and other items of significant value can be estimated through internet research.

Visit web-based marketplaces where individuals list similar items for sale and search values for used items on the internet. The Salvation Army website salvationarmysouth.org/valueguide-htm/ offers a good starting point for the valuation of many household goods.



Money Tools

Jewelry. Visit a reputable jeweler or appraiser in your community. Jewelry appraisers may charge a fee for the appraisal.

Collectables. Depending on the items, finding values for collectibles may require research. Find a reputable dealer in your community or a recently copyrighted publication about your collectibles to estimate their value. Internet resources such as www.pbs.org/wgbh/roadshow/appraisals/ may also be helpful. High-end collectibles may be appraised, for a fee, through reputable auction houses. For higher valued items it is suggested to secure multiple appraisals.

Cash on hand and checking/savings account balances. These can easily be computed and found through your financial institution.

Retirement accounts. Values of your retirement savings (401(k), 403(b), IRA, pension, etc.) can be estimated by your most recent account statements.

Step 2: Calculate your liabilities.

Your liabilities include anything you owe. Specific liabilities might be credit card debt, student loan debt, a mortgage, a home equity loan or an auto loan.

Installment debt or credit cards. The balance owed on installment debts or credit cards is listed on the monthly statements. The balance can also be obtained from contacting the creditor directly.

Student loans. Balances on federal student loans can be found by visiting studentaid.gov and creating an account or logging into an existing account.

Balances on private student loans can be found by contacting the school's financial aid office, the lending institution or you can check your credit report to see any outstanding balances. Visit www.annualcreditreport.com to request a free report from the three credit reporting agencies: Experian, Equifax and TransUnion.

Mortgage. The principle on a mortgage or real estate loan can be found on a monthly statement or by contacting the lender.

Home equity loan or line of credit. The outstanding balance on a home equity loan or line of credit can be found on a monthly statement or by contacting the lender.

Auto loan. The outstanding balance on an auto loan can be found on a monthly statement or by contacting the lender.

Step 3: Subtract the value of your liabilities from the value of your assets to determine your net worth.

$$\text{Assets} - \text{Liabilities} = \text{Net Worth}$$

Net Worth Worksheet

Complete the following charts to calculate your net worth.

Assets (What You Own)

| | |
|-----------------------------------|----|
| Cash | |
| Cash on hand | \$ |
| Checking account | \$ |
| Savings account | \$ |
| Money market funds | \$ |
| Total Cash | \$ |
| Money Loaned to Others | |
| (repayment amount expected) | \$ |
| Investments (market value) | |
| Savings bonds | \$ |
| Stocks | \$ |
| Bonds | \$ |
| Mutual funds | \$ |
| Cash value of retirement fund(s) | \$ |
| Certificates of deposit | \$ |
| IRAs | \$ |
| Cash value of annuities | \$ |
| 401(K), 403(b), 457 Plans | \$ |
| Other | \$ |
| Total Investments | \$ |

Assets (What you own) continued

| Personal Assets (market value) | |
|---|----|
| Home | \$ |
| Other real estate | \$ |
| Automobiles | \$ |
| RVs, boats, etc. | \$ |
| Home furnishings | \$ |
| (repayment amount expected) | \$ |
| Collectables | \$ |
| Cash value of life insurance | \$ |
| Jewelry | \$ |
| Other | \$ |
| Total Personal Assets | \$ |
| TOTAL ASSETS | |
| (Total Cash + Money Loaned to Others + Total Investments + Total Personal Assets) | \$ |

Liabilities (What you owe to others)

| Bills | |
|------------------------------------|----|
| Unpaid utilities | \$ |
| Unpaid medical bills | \$ |
| Unpaid taxes | \$ |
| Unpaid insurance premiums | \$ |
| Unpaid legal judgments | \$ |
| Other unpaid bills: | \$ |
| Total Unpaid Bills | \$ |
| Credit/Charge Card Balances | |
| | \$ |
| | \$ |
| | \$ |
| Total Credit Card Debt | \$ |

Why might I need a Net Worth Statement?

A net worth statement can help you measure progress toward long-term financial goals. Net worth statements can be used in different ways:

Application for a loan. You may be asked to create or provide a net worth statement when you apply.

Purchasing homeowner's insurance. An estimate of the assets in your home can help you determine the level of homeowner's insurance needed.

Creating financial goals and building wealth. Building wealth is the process of increasing your assets while decreasing your liabilities. An annual net worth statement will allow you to track your progress.

Emergency preparedness. The total of your liquid assets (assets that can be quickly converted to cash) may provide information about how well prepared you are for a financial emergency or loss of income.

The authors wish to thank Barbara Metzger, Department of Family and Consumer Sciences, for her help with this publication. Content for the publication was adapted from work by Dena Wise, Professor Emeritus.



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