Measuring Wealth: What's Your Net Worth?

The road to financial security may be paved with a variety of investments and strategies. But before you travel too far, you may want to see if you're headed in the right direction. By calculating your net worth, you'll have a better understanding of where you are financially and be better prepared to make important decisions about your future.

What to Know Before You Begin

What exactly is net worth? It's what's left over when you add up all your financial assets and subtract all your financial liabilities or debts. Your financial assets may include money in bank accounts, stocks, bonds, mutual fund shares, assets in retirement accounts, and the value of any real estate you own. Unless you plan to sell your home and your car, you shouldn't include them among your financial assets.

Your liabilities may include outstanding loans and credit card debt. Don't include your mortgage unless you listed your home among your financial assets.

The following worksheet will help you tally up your net worth. Whether the result is less or more than you expected, don't be too alarmed or excited. Your net worth is only one measure of your financial health and your ability to meet long-term goals. It's really just a starting point for a long-term financial plan. Once you put your net worth in perspective, you'll be ready to develop and implement a suitable long-term financial plan with the assistance of a qualified financial professional.

Your Financial Assets:

Bank Accounts (savings, checking accounts, money markets, CDs) $______

Retirement Accounts (employer plans, IRAs, pensions) $______

Other (stocks, bonds, non-residential real estate) $______

Total Assets $______

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Your Financial Liabilities:

Loans (car, student) $______

Credit Card Balances $______

Other $______

Total Liabilities $______

Your Net Worth:

Subtract your liabilities from your assets to calculate $_______________ = Your Net Worth

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